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# **ANNUAL FINANCIAL REPORT WEAKLEY COUNTY, TENNESSEE**



**FOR THE YEAR ENDED JUNE 30, 2010**



**ANNUAL FINANCIAL REPORT**  
**WEAKLEY COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2010**

***DEPARTMENT OF AUDIT***  
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***Comptroller of the Treasury***

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***State Auditors***

This financial report is available at [\*\*www.tn.gov/comptroller\*\*](http://www.tn.gov/comptroller)

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# WEAKLEY COUNTY, TENNESSEE

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## ***Audit Highlights***

Annual Financial Report  
Weakley County, Tennessee  
For the Year Ended June 30, 2010

### ***Scope***

We have audited the basic financial statements of Weakley County as of and for the year ended June 30, 2010.

### ***Results***

Our report on Weakley County's financial statements is unqualified. Our audit resulted in no findings.

### ***Best Practice***

Weakley County does not have an Audit Committee. The Division of County Audit strongly believes that an Audit Committee is a best practice that should be adopted by the governing body to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks.

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## INTRODUCTORY SECTION

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## Weakley County Officials

June 30, 2010

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### **Officials**

Houston Patrick, County Mayor  
Kermit Hopper, Highway Supervisor  
Randy Frazier, Director of Schools  
Marci Floyd, Trustee  
David Tuck, Assessor of Property  
Pat Scarbrough, County Clerk  
Pam Belew, Circuit and General Sessions Courts Clerk  
Susan Collins, Clerk and Master  
Donna Snyder, Register  
Michael Wilson, Sheriff  
Shawn Francisco, Director of Finance

### **Board of County Commissioners**

Richard Phebus, Chairman	Julia Rich
James Barner	David Rook
Mac Buckley	John Salmon
Joe Farmer	Sam Sinclair
Tommy Jones	Roger Stewart
David McAlpin	Larry Taylor
Michael Medling	Jack Vincent
Dale Overton	James Westbrook, Jr.
Eric Owen	Earl Wright

### **Board of Education**

Gordon Morris, Chairman  
Gath Meeks  
Sarah Ann Pentecost  
Jeff Perkins  
Joan Pritchett  
Lindell Roney  
Doug Sims  
Barbara Trentham  
Steve Vantrease

### **Financial Management Committee**

Roger Stewart, Chairman  
Randy Frazier, Director of Schools  
Kermit Hopper, Highway Supervisor  
Houston Patrick, County Mayor  
Richard Phebus  
Jack Vincent  
James Westbrook, Jr.



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## FINANCIAL SECTION

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**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7841**

**INDEPENDENT AUDITOR'S REPORT**

February 23, 2011

Weakley County Mayor and  
Board of County Commissioners  
Weakley County, Tennessee

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Weakley County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Weakley County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Weakley County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Weakley County Municipal Electric System (a major fund and the entire business-type activities). Also, we did not audit the financial statements of the Weakley County Nursing Home, which represent 14 percent and 18 percent, respectively, of the assets and revenues of the aggregate discretely presented component units and the Weakley County Emergency Communications District, which represent two percent and one percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Weakley County Municipal Electric System, Weakley County Nursing Home, and Weakley County Emergency Communications District, is based on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material

misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Weakley County, Tennessee, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 23, 2011, on our consideration of Weakley County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

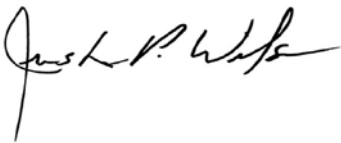
As described in Note V.B., Weakley County has adopted the provisions of Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which became effective for the year ended June 30, 2010.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 20 and budgetary comparison, pension, and other postemployment benefits information on pages 89 through 97 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Weakley County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund,

combining and individual fund financial statements of the Weakley County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Weakley County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long, sweeping underline that extends to the left.

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Weakley County Government (the county), we offer readers of the county's financial statements this narrative overview and analysis of the financial activities of the county for the fiscal year ended June 30, 2010. All amounts, unless otherwise indicated, are expressed in actual dollars.

### FINANCIAL HIGHLIGHTS

Management believes the county's financial condition is strong. The county is well within its budget and the more stringent financial policies and guidelines set by the County Commission and management. The following are key financial highlights.

- ◆ Total assets at year-end were \$102,866,632 and exceeded liabilities by \$62,284,084 (i.e., net assets).
- ◆ Total revenues of the governmental funds were \$16,180,345, a decrease of \$391,898 from fiscal year 2009.
- ◆ Total expenditures of the governmental funds were \$17,519,941, a decrease of \$85,792 over fiscal year 2009.

### OVERVIEW OF THE ANNUAL FINANCIAL REPORT

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the financial statements and supplementary information. The MD&A represents management's examination and analysis of the county's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the county's strategic plan, budget, and other management tools were used for this analysis. The Annual Financial Report consists of three sections: 1) the government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the county's finances in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the county's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the county is improving or deteriorating.

The Statement of Activities presents information illustrating the changes in the government's net assets during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some

items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements include the Weakley County Government (known as the primary government), and a legally separate school district – the Weakley County Board of Education, for which the Weakley County Government is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government.

Both of the government-wide financial statements distinguish functions of the county that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the county include general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; highway/public works; and debt service. The government-wide business-type activity is the Weakley County Municipal Electric System.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The county, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the county can be divided into three categories: governmental, proprietary, and fiduciary.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Weakley County, Tennessee, maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Highway/Public Works, and General Debt Service funds, which are all considered major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The county adopts an annual budget for general, special revenue, and debt service funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on Exhibits C-1 and C-3 of this report.

**Proprietary fund.** Weakley County maintains one type of proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The county uses an enterprise fund to account for its municipal electric system. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the county's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Weakley County's general and major special revenue funds' budgetary statements (General and Highway/Public Works funds). Required supplementary information can be found after the basic financial statements section of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

## **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Weakley County's assets exceeded liabilities by \$28,769,204 at the close of the most recent fiscal year for the governmental activities. The Constitution for the State of Tennessee allows only the local legislative body authorization to issue debt. Therefore, whenever the Weakley County Board of Education requires additional money to fund school construction and equipment, the related debt must be issued by the Weakley County Government. As of June 30, 2010, Weakley County had outstanding debt totaling \$20,500,223 for capital purposes for the Weakley County Board of Education, but the capital assets are reported in the financial statements of the Weakley County Board of Education. As a result, the county has incurred the related liability without a corresponding increase in the county's capital assets, thereby significantly decreasing its unrestricted net assets.

Weakley County Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets:						
Current and Other						
Assets	\$ 12,714,346	\$ 13,548,885	\$ 9,147,227	\$ 8,732,980	\$ 21,861,573	\$ 22,281,865
Capital Assets	47,516,598	49,303,882	33,488,461	32,752,726	81,005,059	82,056,608
Total Assets	\$ 60,230,944	\$ 62,852,767	\$ 42,635,688	\$ 41,485,706	\$ 102,866,632	\$ 104,338,473
Liabilities:						
Other Liabilities	\$ 6,097,355	\$ 5,991,787	\$ 4,715,111	\$ 4,529,163	\$ 10,812,466	\$ 10,520,950
Long-term Liabilities						
Outstanding	25,364,385	29,115,267	4,405,697	4,759,574	29,770,082	33,874,841
Total Liabilities	\$ 31,461,740	\$ 35,107,054	\$ 9,120,808	\$ 9,288,737	\$ 40,582,548	\$ 44,395,791
Net Assets						
Invested in Capital Assets,						
Net of Related Debt	\$ 42,708,650	\$ 43,838,955	\$ 31,283,489	\$ 30,263,670	\$ 73,992,139	\$ 74,102,625
Restricted	5,943,484	6,720,358	0	0	5,943,484	6,720,358
Unrestricted	(19,882,930)	(22,813,600)	2,231,391	1,933,299	(17,651,539)	(20,880,301)
Total Net Assets	\$ 28,769,204	\$ 27,745,713	\$ 33,514,880	\$ 32,196,969	\$ 62,284,084	\$ 59,942,682

By far the largest portion of the county's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Weakley County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Weakley County's investments in capital assets are reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the county's net assets (\$5,943,484) represents resources that are subject to external restrictions on how they may be used.



Weakley County Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,172,512	\$ 2,278,252	\$ 41,658,761	\$ 45,016,873	\$ 43,831,273	\$ 47,295,125
Operating Grants and Contributions	3,609,854	3,553,439	0	0	3,609,854	3,553,439
Capital Grants and Contributions	993,461	543,888	0	0	993,461	543,888
General Revenues:						
Property Taxes	6,109,747	6,031,223	0	0	6,109,747	6,031,223
Other Taxes	1,785,329	1,763,199	0	0	1,785,329	1,763,199
Grants and Contributions Not Restricted to Specific Programs	1,343,539	1,367,733	0	0	1,343,539	1,367,733
Unrestricted Investment Earnings	203,258	277,067	94,191	124,264	297,449	401,331
Other	16,180	17,114	1,246	8,737	17,426	25,851
Proceeds from Sale of Capital Assets	21,325	0	0	0	21,325	0
Total Revenues	<u>\$ 16,255,205</u>	<u>\$ 15,831,915</u>	<u>\$ 41,754,198</u>	<u>\$ 45,149,874</u>	<u>\$ 58,009,403</u>	<u>\$ 60,981,789</u>
Expenses:						
General Government	\$ 910,615	\$ 1,299,980	\$ 0	\$ 0	\$ 910,615	\$ 1,299,980
Finance	1,145,673	1,145,495	0	0	1,145,673	1,145,495
Administration of Justice	1,248,945	1,237,796	0	0	1,248,945	1,237,796
Public Safety	3,456,533	3,362,745	0	0	3,456,533	3,362,745
Public Health and Welfare	514,300	525,777	0	0	514,300	525,777
Social, Cultural, and Recreational Services	366,919	364,995	0	0	366,919	364,995
Agriculture and Natural Resources	146,071	141,805	0	0	146,071	141,805
Other Operations	1,008,287	550,526	0	0	1,008,287	550,526
Highway/Public Works	6,583,921	6,028,063	0	0	6,583,921	6,028,063
Interest on Long-term Debt	590,860	767,670	0	0	590,860	767,670
Other Debt Service	152,730	238,845	0	0	152,730	238,845
Public Utility	0	0	40,010,624	43,509,594	40,010,624	43,509,594
Total Expenses	<u>\$ 16,124,854</u>	<u>\$ 15,663,697</u>	<u>\$ 40,010,624</u>	<u>\$ 43,509,594</u>	<u>\$ 56,135,478</u>	<u>\$ 59,173,291</u>
Transfers	<u>\$ 425,663</u>	<u>\$ 366,454</u>	<u>\$ (425,663)</u>	<u>\$ (366,454)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Change in Net Assets	\$ 556,014	\$ 534,672	\$ 1,317,911	\$ 1,273,826	\$ 1,873,925	\$ 1,808,498
Net Assets, July 1	27,745,713	27,211,041	32,196,969	30,923,143	59,942,682	58,134,184
Prior-period Adjustment	467,477	0	0	0	467,477	0
Net Assets, June 30	<u><u>\$ 28,769,204</u></u>	<u><u>\$ 27,745,713</u></u>	<u><u>\$ 33,514,880</u></u>	<u><u>\$ 32,196,969</u></u>	<u><u>\$ 62,284,084</u></u>	<u><u>\$ 59,942,682</u></u>

## Financial Analysis of Government's Funds

As noted earlier, the county uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of Weakley County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the county's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the county's governmental funds reported combined ending fund balances of \$6,123,463, a decrease of \$877,061 in comparison with the prior year.

Of this total amount, \$5,972,489 constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not readily available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$13,111), and 2) for a variety of other restricted purposes (\$137,863).

The General Fund is the chief operating fund of the county. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$578,744, while total fund balance was \$728,464. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance of the General Fund represents eight percent of total General Fund expenditures, while total fund balance represents ten percent of that same amount.

The General Debt Service Fund has a total fund balance of \$4,507,025. The decrease in fund balance of \$52,333 from the prior year is due to debt payments exceeding revenues.

### General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor and can be briefly summarized as follows:

General Government	\$ (8,935)
Finance	(3,668)
Administration of Justice	301
Public Safety	(65,639)
Public Health and Welfare	114,449
Social, Cultural, and Recreational Services	4,073
Agriculture and Natural Resources	(435)
Other Operations	<u>(1,823)</u>
Total Increase in Budgeted Expenditures	<u><u>\$ 38,323</u></u>

During the year, revenues were less than budgetary estimates; however, expenditures were also significantly less than budgetary estimates, thus reducing the need to draw upon existing fund balance.

### Capital Assets and Debt Administration

**Capital assets.** The county's investment in capital assets for its governmental activities as of June 30, 2010, totaled \$47,516,598 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, other capital assets (includes equipment), and infrastructure (roads, highway, and bridges). The total decrease in Weakley County Government's investment in capital assets for the current fiscal year was \$1,051,549, (net of accumulated depreciation). This decrease was mainly attributable to depreciation expense for the year.

Major capital asset events during the current fiscal year included the following:

- ◆ The Weakley County Sheriff's Department purchased three new patrol vehicles. The Weakley County Highway/Public Works Department purchased a chip spreader.
- ◆ The Board of Education purchased four new school buses and playground equipment.

**Long-term debt.** At the end of the current fiscal year, Weakley County had total bonded debt outstanding of \$9,420,000, notes payable of \$952,466, and other loans payable of \$14,935,705. All debt is backed by full faith and credit of the county.

	<u>Governmental Activities</u>
Notes Payable	\$ 952,466
Other Loans Payable	14,935,705
Bonded Debt	<u>9,420,000</u>
Total	<u><u>\$ 25,308,171</u></u>

Weakley County maintains an "Aaa" rating from Moody's for general obligation debt.

### Economic Factors and Next Year's Budget and Rates

- ◆ The unemployment rate of Weakley County is currently 10.2 percent, which is a decrease from a rate of 11.4 percent in June 2010.
- ◆ The county experienced limited commercial and industrial growth during the year.
- ◆ Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the county's budget for the 2011 fiscal year.

## **Requests for Information**

This financial report is designed to provide a general overview of Weakley County Government's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director of Finance, Weakley County Government, 8319 Highway 22, Suite B, Dresden, Tennessee 38225 or via email at [franciscos@k12tn.net](mailto:franciscos@k12tn.net).

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## **BASIC FINANCIAL STATEMENTS**

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Exhibit A

Weakley County, Tennessee  
Statement of Net Assets  
June 30, 2010

				Component Units		
	Primary Government			Weakley County School Department	Weakley County Nursing Home	Weakley County Emergency Communications District
	Governmental Activities	Business-type Activities	Total			
<u>ASSETS</u>						
Cash	\$ 2,381	\$ 3,031,130	\$ 3,033,511	\$ 0	\$ 2,193,099	\$ 486,381
Equity in Pooled Cash and Investments	5,570,543	0	5,570,543	3,497,474	0	0
Inventories	0	483,376	483,376	0	80,676	0
Investments	0	0	0	0	0	48,373
Accounts Receivable	43,263	2,813,016	2,856,279	6,764	2,077,900	16,428
Due from Other Governments	777,769	0	777,769	1,161,640	0	0
Due from Component Units	779	0	779	0	0	0
Property Taxes Receivable	6,432,233	0	6,432,233	3,601,583	0	0
Allowance for Uncollectible Property Taxes	(274,692)	0	(274,692)	(153,808)	0	0
Prepaid Items	0	405,245	405,245	0	10,372	0
Other Current Assets	0	330	330	0	0	0
Other Restricted Assets	0	0	0	0	29,173	0
Deferred Charges-Debt Issuance Costs	162,070	0	162,070	0	0	0
Notes Receivable	0	2,414,130	2,414,130	0	0	0
Capital Assets:						
Assets Not Depreciated:						
Land	1,575,535	518,413	2,093,948	1,935,850	2,371	0
Construction in Progress	0	680,512	680,512	0	0	0
Assets Net of Accumulated Depreciation:						
Buildings and Improvements	6,064,508	0	6,064,508	23,550,164	1,265,508	0
Infrastructure	38,906,041	0	38,906,041	0	0	0
Other Capital Assets	970,514	32,289,536	33,260,050	1,483,494	237,988	340,978
Total Assets	\$ 60,230,944	\$ 42,635,688	\$ 102,866,632	\$ 35,083,161	\$ 5,897,087	\$ 892,160
<u>LIABILITIES</u>						
Accounts Payable	\$ 7,580	\$ 3,262,148	\$ 3,269,728	\$ 16	\$ 148,292	\$ 4,115
Accrued Payroll	0	0	0	0	152,905	0
Payroll Deductions Payable	0	0	0	0	26,637	0
Accrued Leave	0	519,607	519,607	0	60,187	2,426
Contracts Payable	5,391	0	5,391	0	0	0
Retainage Payable	55,628	0	55,628	0	0	0
Accrued Interest Payable	63,080	0	63,080	0	0	0
Other Current Liabilities	0	27,329	27,329	0	54,390	0
Deferred Revenue - Current						
Property Taxes	5,965,676	0	5,965,676	3,340,345	0	0
Current Liabilities Payable from Restricted Assets:						
Customer Deposits Payable	0	906,027	906,027	0	0	0
Noncurrent Liabilities:						
Due Within One Year	3,375,307	370,020	3,745,327	1,567	0	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	21,989,078	4,035,677	26,024,755	496,395	0	0
Total Liabilities	\$ 31,461,740	\$ 9,120,808	\$ 40,582,548	\$ 3,838,323	\$ 442,411	\$ 6,541

(Continued)

Exhibit A

Weakley County, Tennessee  
Statement of Net Assets (Cont.)

				Component Units		
				Weakley	Weakley	Weakley
				County	County	County
				School	Nursing	Emergency
	Governmental	Business-type		Department	Home	Communications
	Activities	Activities	Total			District
<u>NET ASSETS</u>						
Invested in Capital Assets, Net of						
Related Debt	\$ 42,708,650	\$ 31,283,489	\$ 73,992,139	\$ 0	\$ 0	\$ 0
Invested in Capital Assets	0	0	0	26,969,508	1,505,867	340,979
Restricted for:						
Solid/Waste Sanitation	29,049	0	29,049	0	0	0
Drug Control	107,268	0	107,268	0	0	0
District Attorney General	107,350	0	107,350	0	0	0
Highway/Public Works	505,924	0	505,924	0	0	0
School Federal Projects	0	0	0	46,071	0	0
Central Cafeteria	0	0	0	767,528	0	0
Debt Service	4,797,621	0	4,797,621	0	0	0
Capital Projects	258,409	0	258,409	193,820	0	0
Other Purposes	137,863	0	137,863	73,951	0	0
Unrestricted	(19,882,930)	2,231,391	(17,651,539)	3,193,960	3,948,809	544,640
Total Net Assets	\$ 28,769,204	\$ 33,514,880	\$ 62,284,084	\$ 31,244,838	\$ 5,454,676	\$ 885,619

The notes to the financial statements are an integral part of this statement.

Exhibit B

Weakley County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2010

Net (Expense) Revenue and Changes in Net Assets											
							Component Units				
							Weakley County School Department	Weakley County Nursing Home	Weakley County Emergency Communications District		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total				
					Governmental Activities	Business-type Activities					
Primary Government:											
Governmental Activities:											
General Government	\$	910,615	\$ 181,560	\$ 16,380	\$	0	\$ (712,675)	\$	0	\$ (712,675)	\$ 0
Finance		1,145,673	697,679	10,521	0		(437,473)		0	(437,473)	0
Administration of Justice		1,248,945	645,011	372,953	3,499		(227,482)		0	(227,482)	0
Public Safety		3,456,533	621,692	79,386	110,907		(2,644,548)		0	(2,644,548)	0
Public Health and Welfare		514,300	5,843	94,957	0		(413,500)		0	(413,500)	0
Social, Cultural, and Recreational Services		366,919	3,942	121,403	0		(241,574)		0	(241,574)	0
Agriculture and Natural Resources		146,071	0	0	0		(146,071)		0	(146,071)	0
Other Operations		1,008,287	0	0	592,305		(415,982)		0	(415,982)	0
Highways/Public Works		6,583,921	14,852	1,930,384	286,750		(4,351,935)		0	(4,351,935)	0
Interest on Long-term Debt		590,860	1,933	983,870	0		394,943		0	394,943	0
Other Debt Service		152,730	0	0	0		(152,730)		0	(152,730)	0
Total Governmental Activities		\$ 16,124,854	\$ 2,172,512	\$ 3,609,854	\$ 993,461	\$ (9,349,027)	\$ 0	\$ (9,349,027)	\$ 0	\$ 0	\$ 0
Business-type Activities:											
Public Utility		\$ 40,010,624	\$ 41,658,761	\$ 0	\$ 0	\$ 0	\$ 1,648,137	\$ 1,648,137	\$ 0	\$ 0	\$ 0
Total Primary Government		\$ 56,135,478	\$ 43,831,273	\$ 3,609,854	\$ 993,461	\$ (9,349,027)	\$ 1,648,137	\$ (7,700,890)	\$ 0	\$ 0	\$ 0
Component Units:											
Weakley County School Department		\$ 38,002,398	\$ 1,124,726	\$ 6,090,015	\$ 8,000	\$ 0	\$ 0	\$ 0	\$ (30,779,657)	\$ 0	\$ 0
Weakley County Nursing Home		7,455,922	8,067,223	0	0	0	0	0	0	611,301	0
Weakley County Emergency Communications District		511,583	248,411	152,963	0	0	0	0	0	0	(110,209)
Total Component Units		\$ 45,969,903	\$ 9,440,360	\$ 6,242,978	\$ 8,000	\$ 0	\$ 0	\$ (30,779,657)	\$ 611,301	\$ (110,209)	\$ 0

(Continued)



Exhibit B

Weakley County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets				
	Program Revenues		Component Units		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Weakley County	
				School Department	Weakley County Nursing Home Communications District
	Expenses	Governmental Activities	Primary Business-type Activities	Total	
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes	\$ 3,468,868	\$ 0	\$ 3,468,868	\$ 3,422,699	\$ 0
Property Taxes Levied for Debt Service	2,640,879	0	2,640,879	0	0
Local Option Sales Taxes	270,372	0	270,372	3,018,731	0
Hotel/Motel Tax	88,247	0	88,247	0	0
Wheel Tax	912,976	0	912,976	130,425	0
Litigation Tax - General	177,729	0	177,729	0	0
Business Tax	188,846	0	188,846	0	0
Mineral Severance Tax	89,957	0	89,957	0	0
Other Local Taxes	57,202	0	57,202	2,785	0
Grants and Contributions Not Restricted to Specific Programs	1,343,539	0	1,343,539	22,626,097	0
Unrestricted Investment Income	203,258	94,191	297,449	0	17,845
Miscellaneous	16,180	1,246	17,426	80,517	4,441
Proceeds from Sale of Capital Assets	21,325	0	21,325	0	0
Total General Revenues	\$ 9,479,378	\$ 95,437	\$ 9,553,490	\$ 29,281,254	\$ 22,286
Transfers	\$ 425,663	\$ (425,663)	\$ 0	\$ 0	\$ 0
Change in Net Assets	\$ 556,014	\$ 1,317,911	\$ 1,873,925	\$ (1,498,403)	\$ 633,587
Net Assets, July 1, 2009	27,745,713	32,196,969	59,942,682	32,743,241	4,821,089
Prior-period Adjustment	467,477	0	467,477	0	0
Net Assets, June 30, 2010	\$ 28,769,204	\$ 33,514,880	\$ 62,284,084	\$ 31,244,838	\$ 5,454,676
					\$ 885,619

The notes to the financial statements are an integral part of this statement.

## Exhibit C-1

Weakley County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2010

	Major Funds			Nonmajor Funds	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 2,381	\$ 2,381
Equity in Pooled Cash and Investments	403,888	176,471	4,490,992	499,042	5,570,393
Accounts Receivable	18,420	18,373	1,755	4,715	43,263
Due from Other Governments	341,148	357,751	10,350	68,520	777,769
Due from Other Funds	7,033	150	0	0	7,183
Due from Component Units	779	0	0	0	779
Property Taxes Receivable	2,266,223	778,721	3,289,949	97,340	6,432,233
Allowance for Uncollectible Property Taxes	(107,042)	(33,256)	(130,238)	(4,156)	(274,692)
Total Assets	\$ 2,930,449	\$ 1,298,210	\$ 7,662,808	\$ 667,842	\$ 12,559,309
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 0	\$ 146	\$ 0	\$ 7,434	\$ 7,580
Contracts Payable	0	0	0	5,391	5,391
Retainage Payable	0	0	0	55,628	55,628
Due to Other Funds	0	0	0	7,033	7,033
Deferred Revenue - Current Property Taxes	2,076,431	722,237	3,076,728	90,280	5,965,676
Deferred Revenue - Delinquent Property Taxes	73,538	20,642	73,745	2,581	170,506
Other Deferred Revenues	52,016	166,706	5,310	0	224,032
Total Liabilities	\$ 2,201,985	\$ 909,731	\$ 3,155,783	\$ 168,347	\$ 6,435,846
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 11,857	\$ 1,254	\$ 0	\$ 0	\$ 13,111
Reserved for Alcohol and Drug Treatment	67,217	0	0	0	67,217
Reserved for Sexual Offender Registration	8,430	0	0	0	8,430
Reserved for Courtroom Security	3,220	0	0	0	3,220
Reserved for Computer System - Register	15,648	0	0	0	15,648
Reserved for Automation Purposes - Circuit Court	354	0	0	0	354
Reserved for Automation Purposes - General Sessions Court	21,214	0	0	0	21,214
Reserved for Automation Purposes - Juvenile Court	9,335	0	0	0	9,335
Reserved for Automation Purposes - Chancery Court	7,752	0	0	0	7,752
Reserved for Automation Purposes - Sheriff	3,017	0	0	0	3,017
Reserved for Automation Purposes - County Clerk	1,676	0	0	0	1,676
Unreserved, Reported In:					
General Fund	578,744	0	0	0	578,744
Special Revenue Funds	0	387,225	0	243,667	630,892
Debt Service Funds	0	0	4,507,025	0	4,507,025
Capital Projects Funds	0	0	0	255,828	255,828
Total Fund Balances	\$ 728,464	\$ 388,479	\$ 4,507,025	\$ 499,495	\$ 6,123,463
Total Liabilities and Fund Balances	\$ 2,930,449	\$ 1,298,210	\$ 7,662,808	\$ 667,842	\$ 12,559,309

The notes to the financial statements are an integral part of this statement.

Exhibit C-2

Weakley County, Tennessee

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets

June 30, 2010

Amounts reported for governmental activities in the statement of net assets (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	6,123,463
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,575,535	
Add: buildings and improvements net of accumulated depreciation		6,064,508	
Add: infrastructure net of accumulated depreciation		38,906,041	
Add: other capital assets net of accumulated depreciation		<u>970,514</u>	47,516,598
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			394,538
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Add: deferred charges - debt issuance costs	\$	162,070	
Less: accrued interest on notes and bonds		(63,080)	
Less: notes payable		(952,466)	
Less: other loans payable		(14,935,705)	
Less: bonds payable		(9,420,000)	
Add: deferred amount on refunding		274,621	
Less: other deferred revenue - premium on debt		(11,212)	
Less: compensated absences payable		(204,406)	
Less: other postemployment benefits liability		<u>(115,217)</u>	(25,265,395)
Net assets of governmental activities (Exhibit A)		\$	<u>28,769,204</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-3

Weakley County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2010

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 3,803,068	\$ 1,751,261	\$ 2,757,492	\$ 93,531	\$ 8,405,352
Licenses and Permits	25,305	1,975	0	0	27,280
Fines, Forfeitures, and Penalties	192,103	0	0	39,707	231,810
Charges for Current Services	102,232	0	0	5,843	108,075
Other Local Revenues	48,390	16,381	205,686	270	270,727
Fees Received from County Officials	1,249,307	0	0	0	1,249,307
State of Tennessee	1,335,183	2,120,424	382,523	13,957	3,852,087
Federal Government	184,608	44,220	0	464,040	692,868
Other Governments and Citizens Groups	226,056	4,648	983,870	128,265	1,342,839
Total Revenues	\$ 7,166,252	\$ 3,938,909	\$ 4,329,571	\$ 745,613	\$ 16,180,345
<u>Expenditures</u>					
Current:					
General Government	\$ 781,961	\$ 0	\$ 0	\$ 0	\$ 781,961
Finance	1,094,481	0	0	0	1,094,481
Administration of Justice	1,104,924	0	0	10,765	1,115,689
Public Safety	3,049,340	0	0	60,643	3,109,983
Public Health and Welfare	458,824	0	0	26,898	485,722
Social, Cultural, and Recreational Services	346,800	0	0	0	346,800
Agriculture and Natural Resources	132,963	0	0	0	132,963
Other Operations	628,704	0	0	731	629,435
Highways	0	4,445,014	0	0	4,445,014
Debt Service:					
Principal on Debt	0	0	3,916,475	0	3,916,475
Interest on Debt	0	0	525,804	0	525,804
Other Debt Service	0	0	123,728	0	123,728
Capital Projects	0	0	0	811,886	811,886
Total Expenditures	\$ 7,597,997	\$ 4,445,014	\$ 4,566,007	\$ 910,923	\$ 17,519,941
Excess (Deficiency) of Revenues Over Expenditures					
	\$ (431,745)	\$ (506,105)	\$ (236,436)	\$ (165,310)	\$ (1,339,596)
<u>Other Financing Sources (Uses)</u>					
Proceeds from Sale of Capital Assets	\$ 5,675	\$ 16,500	\$ 0	\$ 0	\$ 22,175
Insurance Recovery	773	13,924	0	0	14,697
Transfers In	183,585	51,534	184,103	6,441	425,663
Total Other Financing Sources (Uses)	\$ 190,033	\$ 81,958	\$ 184,103	\$ 6,441	\$ 462,535
Net Change in Fund Balances					
	\$ (241,712)	\$ (424,147)	\$ (52,333)	\$ (158,869)	\$ (877,061)
Fund Balance, July 1, 2009	970,176	812,626	4,559,358	658,364	7,000,524
Fund Balance, June 30, 2010	\$ 728,464	\$ 388,479	\$ 4,507,025	\$ 499,495	\$ 6,123,463

The notes to the financial statements are an integral part of this statement.

Exhibit C-4

Weakley County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2010

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit C-3)		\$	(877,061)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	1,487,444	
Less: current-year depreciation expense		(3,747,291)	(2,259,847)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.			
Add: gain on disposal of capital assets	\$	7,532	
Less: loss on disposal of capital assets		(1,596)	
Less: proceeds received from the disposal of capital assets		(850)	5,086
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2010	\$	394,538	
Less: deferred delinquent property taxes and other deferred June 30, 2009		(440,850)	(46,312)
(4) The issuance of long-term debt (e.g., notes, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Add: change in premium on debt issuances	\$	1,933	
Less: change in deferred debt issuance costs		(29,002)	
Add: principal payments on notes		367,475	
Add: principal payments on other loans		1,939,000	
Add: principal payments on bonds		1,610,000	
Less: change in deferred amount on refunding debt		(77,324)	3,812,082
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	12,268	
Change in compensated absences payable		6,797	
Change in other postemployment benefits liability		(96,999)	(77,934)
Change in net assets of governmental activities (Exhibit B)		\$	<u>556,014</u>

The notes to the financial statements are an integral part of this statement.

## Exhibit D-1

Weakley County, Tennessee  
Statement of Net Assets  
Proprietary Fund  
June 30, 2010

	Business-type Activities
	Major Fund
	Weakley County Municipal Electric System
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 3,031,130
Inventories	483,376
Accounts Receivable	2,813,016
Prepaid Items	405,245
Other Current Assets	330
Total Current Assets	<u>\$ 6,733,097</u>
Noncurrent Assets:	
Notes Receivable	\$ 2,414,130
Capital Assets:	
Assets Not Depreciated:	
Land	518,413
Construction in Progress	680,512
Assets Net of Accumulated Depreciation:	
Other Capital Assets	32,289,536
Total Noncurrent Assets	<u>\$ 35,902,591</u>
Total Assets	<u>\$ 42,635,688</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 3,262,148
Accrued Leave	519,607
Other Current Liabilities	27,329
Current Liabilities Payable from Restricted Assets:	
Customer Deposits Payable	906,027
Total Current Liabilities	<u>\$ 4,715,111</u>
Noncurrent Liabilities:	
Due Within One Year	\$ 370,020
Due in More Than One Year	4,035,677
Total Noncurrent Liabilities	<u>\$ 4,405,697</u>
Total Liabilities	<u>\$ 9,120,808</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	\$ 31,283,489
Unrestricted	<u>2,231,391</u>
Total Net Assets	<u>\$ 33,514,880</u>

The notes to the financial statements are an integral part of this statement.

Exhibit D-2

Weakley County, Tennessee  
Statement of Revenues, Expenses, and Changes in Net Assets  
Proprietary Fund  
For the Year Ended June 30, 2010

	Business-type Activities
	Major Fund
	Weakley County Municipal Electric System
<u>Operating Revenues</u>	
<u>Sale of Electric Energy</u>	
Residential and Rural	\$ 23,285,901
Small Commercial	3,996,346
Large Commercial	12,399,044
Street and Outdoor Lighting	1,052,087
<u>Other Electric Revenues</u>	
Consumer Forfeited Discounts	288,111
Rent from Electric Property	464,573
Service Charge - Meter Sets	89,156
Miscellaneous	83,543
Total Operating Revenues	<u>\$ 41,658,761</u>
<u>Operating Expenses</u>	
Purchased Power	\$ 33,351,608
<u>Operation Expense</u>	
<u>Transmission Expense</u>	
Overhead Wire Expense	1,841
Station Expense	23,559
<u>Distribution Expense</u>	
Supervision and Engineering	140,044
Station Expense	33,614
Overhead Line Expense	584,231
Underground Line Expense	62,247
Street Lighting and Signal Systems	16,935
Removing and Resetting Meters	239,499
Services on Customers' Premises	52,972
Miscellaneous Distribution Expense	11,082
Rents	20,905
<u>Customer Accounts Expense</u>	
Supervision and Accounting	17,301
Meter Reading	221,889
Records and Collection	665,150
<u>Customer Service and Sales Expense</u>	
Supervision	11,543
Customer Assistance	33,550
Miscellaneous Sales Expense	114,286
<u>Administrative and General Expense</u>	
Salaries	287,323
Office Supplies and Expense	132,471
Outside Services	86,587
Insurance	50,974

(Continued)

Exhibit D-2

Weakley County, Tennessee  
Statement of Revenues, Expenses, and Changes in Net Assets  
Proprietary Fund (Cont.)

	Business-type Activities
	Major Fund
	Weakley County Municipal Electric System
<u>Operating Expenses (Cont.)</u>	
<u>Administrative and General Expense (Cont.)</u>	
Injuries and Damages	\$ 160,797
Employee Pension and Benefits	569,760
Dues	38,956
Miscellaneous	14,468
<u>Maintenance Expense</u>	
<u>Transmission Maintenance</u>	
Station Equipment	3,001
Overhead Lines	30,841
<u>Distribution Maintenance</u>	
Station Equipment	25,073
Overhead Lines	759,382
Underground Lines	8,292
Line Transformers and Devices	41,605
Street Lights and Signal Systems	20,566
Meters	39,538
Security Lights	33,049
Miscellaneous	10,810
<u>Administrative and General Maintenance</u>	
Structures and Improvements	73,478
Communications Equipment	18,530
Fiber Optic	749
Depreciation and Amortization	1,474,931
Tax Equivalent	350,176
Payroll Taxes	75,135
Total Operating Expenses	\$ 39,908,748
Operating Income	\$ 1,750,013
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 94,191
Interest on Long-term Debt	(101,876)
Other Interest Expense	1,246
Total Nonoperating Revenues (Expenses)	\$ (6,439)
Income Before Transfers	\$ 1,743,574
Transfers In (Out)	(425,663)
Change in Net Assets	\$ 1,317,911
Net Assets, July 1, 2009	32,196,969
Net Assets, June 30, 2010	\$ 33,514,880

The notes to the financial statements are an integral part of this statement.



## Exhibit D-3

Weakley County, Tennessee  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended June 30, 2010

	Business-type Activities
	Major Fund
	Weakley County Municipal Electric System
<u>Cash Flows from Operating Activities</u>	
Cash Received from Customers	\$ 41,388,547
Cash Payments to Suppliers for Goods and Services	(35,136,586)
Cash Payments to Employees for Services	(2,801,663)
Net Cash Advanced on Conservation Loans Receivable	(55,601)
Net Cash Proceeds from Conservation Loans Payable	53,242
Net Cash Provided By (Used In) Operating Activities	<u>\$ 3,447,939</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Interest Paid	\$ (3,506)
Transfers to Other Funds	(425,663)
Payments of USDA Loan Payable	(92,500)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (521,669)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Additions to Plant	\$ (2,315,316)
Removal Cost	(155,628)
Proceeds from Sale of Land and Building	50,000
Interest Paid on Long-term Debt	(101,876)
Principal Paid on Long-term Debt	(284,084)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (2,806,904)</u>
<u>Cash Flows from Investing Activities</u>	
Interest Received	\$ 94,191
Payments Received on Notes Receivable	129,792
Net Cash Provided By (Used In) Investing Activities	<u>\$ 223,983</u>
Net Increase in Cash	\$ 343,349
Cash, July 1, 2009	<u>2,687,781</u>
Cash, June 30, 2010	<u><u>\$ 3,031,130</u></u>

(Continued)

Exhibit D-3

Weakley County, Tennessee  
Statement of Cash Flows  
Proprietary Fund (Cont.)

	Business-type Activities
	Major Fund
	Weakley County Municipal Electric System
<u>Reconciliation of Operating Income to</u>	
<u>Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income	\$ 1,750,013
Adjustments to Reconcile Net Operating Income to Net Cash	
Provided By (Used In) Operating Activities:	
Depreciation and Amortization	1,590,222
Amortization of Prepaid Purchased Power	130,500
Change In:	
Accounts Receivable	(283,009)
Rents Receivable	(2,626)
Material and Supplies	104,471
Prepayments	892
Conservation Loans Receivable	(55,601)
Other Current Assets	(330)
Accounts Payable	271,608
Customer Deposits	15,421
Accrued Salaries and Leave	10,852
Other Current and Accrued Liabilities	(107,216)
Conservation Loans Payable	53,242
Deferred Credits	(30,500)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 3,447,939</u>

The notes to the financial statements are an integral part of this statement.

Exhibit E

Weakley County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2010

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,033,481
Equity in Pooled Cash and Investments	438,617
Due from Other Governments	<u>463,059</u>
Total Assets	<u><u>\$ 1,935,157</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 457,323
Due to Litigants, Heirs, and Others	1,029,686
Due to Joint Ventures	<u>448,148</u>
Total Liabilities	<u><u>\$ 1,935,157</u></u>

The notes to the financial statements are an integral part of this statement.

**WEAKLEY COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2010**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Weakley County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Weakley County:

**A. Reporting Entity**

Weakley County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Weakley County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

**Discretely Presented Component Units** – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Weakley County School Department operates the public school system in the county, and the voters of Weakley County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Weakley County Nursing Home provides intermediate health care to the citizens of Weakley County, and the Weakley County Commission appoints its governing body. Before the issuance of any debt instruments, the nursing home must obtain the County Commission's approval.

The Weakley County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Weakley County, and the Weakley County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The Weakley County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the Weakley County School Department are included in this report as listed in the table of contents. Complete financial statements of the Weakley County Emergency Communications District and the Weakley County Nursing Home can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Weakley County Emergency Communications District  
P.O. Box 911  
Dresden, TN 38225

Weakley County Nursing Home  
700 Nursing Home Road  
Dresden, TN 38225

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Weakley County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Weakley County issues all debt for the discretely presented Weakley County School Department. No new debt issues were contributed by the county to the School Department during the year ended June 30, 2010.

Separate financial statements are provided for governmental funds, proprietary funds (enterprise), and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Weakley County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories.

Separate financial statements are provided for governmental funds, the proprietary fund (enterprise), and fiduciary funds. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The fiduciary funds in total are reported in a single column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Weakley County considers grants and similar revenues to be available if they are collected within 120 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when

amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Weakley County reports the following major governmental funds:

**General Fund** – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Highway/Public Works Fund** – This fund accounts for transactions of the county’s Highway Department.

**General Debt Service Fund** – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Weakley County reports the following major proprietary fund:

**Public Utility Fund** – This fund is used to account for the operations of the Weakley County Municipal Electric System, which is financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing services to the general public on a continuing basis can be financed or recovered primarily through user charges.

Additionally, Weakley County reports the following fund types:

**Capital Projects Funds** – These funds are used to account for financial resources to be used for the acquisition or construction of major capital projects.

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by

the state to be forwarded to the various cities in Weakley County, state grants and other restricted revenues held for the benefit of the Twenty-seventh Judicial District Drug Task Force, and funds collected and held in a custodial capacity for a watershed district. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Weakley County School Department reports the following major governmental funds:

**General Purpose School Fund** – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

**School Federal Projects Fund** – This fund is used to account for restricted federal revenues, which must be expended on specific educational programs.

Additionally, the Weakley County School Department reports the following fund type:

**Capital Projects Fund** – The Education Capital Projects Fund is used to account for the receipt of debt issued by Weakley County and contributed to the School Department for building construction and renovations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted revenues first, then unrestricted resources as they are needed.

#### **D. Assets, Liabilities, and Net Assets or Equity**

##### **1. Deposits and Investments**

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies;



deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds (excluding the Weakley County Municipal Electric System, enterprise fund) and the discretely presented Weakley County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Weakley County (excluding the Weakley County Municipal Electric System, enterprise fund) and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

## **2. Receivables and Payables**

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 2.25 percent of total taxes levied.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred revenue as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet with offsetting deferred revenue to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

Retainage payable in the primary government's Other Capital Projects Fund represents amounts withheld from payments made on a construction contract pending completion of the project. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the Other Capital Projects Fund.

### **3. Capital Assets**

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$1,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government (excluding the Weakley County Municipal Electric System, enterprise fund) and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25
Other Capital Assets	5
Infrastructure:	
Roads	20
Bridges	20 - 30

**4. Compensated Absences**

It is the policy of Weakley County (with the exception of the Weakley County Municipal Electric System, enterprise fund) and the discretely presented Weakley County School Department to permit employees to accumulate a limited amount of earned but unused vacation and sick leave benefits. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded. Accumulated vacation benefits will be paid to employees upon separation from service with the government. All vacation leave is accrued when incurred in the government-wide statements for the county and the School Department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

**5. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

#### **6. Net Assets and Fund Equity**

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

As of June 30, 2010, Weakley County had \$20,500,223 in outstanding debt for capital purposes for the discretely presented Weakley County School Department. This debt is a liability of Weakley County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Weakley County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative

management plans that are subject to change. The discretely presented Weakley County School Department's General Purpose School Fund had \$51,701 designated for the operations of the student farm at June 30, 2010.

**7. Prior-period Adjustment**

Capital assets were restated \$467,477 from the prior year because construction in progress for an election commission building had been omitted.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Assets**

**Primary Government**

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds to the government-wide Statement of Net Assets.

**Discretely Presented Weakley County School Department**

Exhibit J-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds to the government-wide Statement of Net Assets.

**B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities**

**Primary Government**

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the changes in net assets of governmental activities reported in the government-wide Statement of Activities.

**Discretely Presented Weakley County School Department**

Exhibit J-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net assets of governmental activities reported in the government-wide Statement of Activities.

### **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the District Attorney General Fund (special revenue fund) and the Constitutional Officers - Fees Fund (special revenue fund), which are not budgeted, and the General Capital Projects and Other Capital Projects funds (capital projects funds), which adopt project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, County Mayor/Executive, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

### **IV. DETAILED NOTES ON ALL FUNDS**

#### **A. Deposits and Investments**

Weakley County (excluding the Weakley County Municipal Electric System, enterprise fund) and the Weakley County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net assets represents nonpooled amounts held separately by individual funds.

## **Deposits**

**Legal Provisions.** All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

## **Investments**

**Legal Provisions.** Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

**Investment Balances.** As of June 30, 2010, Weakley County had the following investments carried at cost. All investments (excluding the Weakley County Municipal Electric System, enterprise fund) are in the county trustee's investment pool. Separate disclosures concerning pooled investments

cannot be made for Weakley County (excluding the Weakley County Municipal Electric System, enterprise fund) and the discretely presented Weakley County School Department since both pool their deposits and investments through the county trustee.

#### POOLED INVESTMENTS

Investment	Maturity	Cost
State Treasurer's Investment Pool	Daily	\$ 68,497

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Weakley County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Weakley County has no investment policy that would further limit its investment choices. As of June 30, 2010, Weakley County's investment in the State Treasurer's Investment Pool was unrated.

#### **B. Capital Assets**

Capital assets activity for the year ended June 30, 2010, was as follows:

##### **Primary Government**

##### **Governmental Activities:**

	Restated*			Balance
	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 1,575,535	\$ 0	\$ 0	\$ 1,575,535
Construction in Progress	467,477	179,261	(646,738)	0
Total Capital Assets Not Depreciated	\$ 2,043,012	\$ 179,261	\$ (646,738)	\$ 1,575,535



**Governmental Activities (Cont.):**

	Restated*				Balance
	Balance				6-30-10
	7-1-09	Increases	Decreases		
Capital Assets Depreciated:					
Buildings and					
Improvements	\$ 11,996,669	\$ 702,643	\$ 0	\$	12,699,312
Infrastructure	70,830,108	1,000,698	0		71,830,806
Other Capital Assets	4,147,156	349,494	(424,625)		4,072,025
Total Capital Assets					
Depreciated	\$ 86,973,933	\$ 2,052,835	\$ (424,625)	\$	88,602,143
Less Accumulated					
Depreciation For:					
Buildings and					
Improvements	\$ 6,201,490	\$ 433,314	\$ 0	\$	6,634,804
Infrastructure	29,981,099	2,943,666	0		32,924,765
Other Capital Assets	3,062,997	370,311	(331,797)		3,101,511
Total Accumulated					
Depreciation	\$ 39,245,586	\$ 3,747,291	\$ (331,797)	\$	42,661,080
Total Capital Assets					
Depreciated, Net	\$ 47,728,347	\$ (1,694,456)	\$ (92,828)	\$	45,941,063
Governmental Activities					
Capital Assets, Net	\$ 49,771,359	\$ (1,515,195)	\$ (739,566)	\$	47,516,598

\*The balance on July 1, 2009, was restated \$467,477 because construction in progress for an election commission building had been omitted in the prior year.

Depreciation expense was charged to functions of the primary government (excluding the Weakley County Municipal Electric System, enterprise fund) as follows:

**Governmental Activities:**

General Government	\$ 60,284
Finance	14,183
Administration of Justice	21,448
Public Safety	401,671
Public Health and Welfare	23,884
Social, Cultural, and Recreational Services	13,092
Agriculture and Natural Resources	2,298
Other Operations	766
Highways/Public Works	<u>3,209,665</u>
Total Depreciation Expense -	
Governmental Activities	<u>\$ 3,747,291</u>

## Discretely Presented Weakley County School Department

### Governmental Activities:

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 1,935,850	\$ 0	\$ 0	\$ 1,935,850
Total Capital Assets Not Depreciated	\$ 1,935,850	\$ 0	\$ 0	\$ 1,935,850
Capital Assets Depreciated:				
Buildings and Improvements	\$ 61,353,539	\$ 0	\$ 0	\$ 61,353,539
Other Capital Assets	5,113,841	349,507	(114,064)	5,349,284
Total Capital Assets Depreciated	\$ 66,467,380	\$ 349,507	\$ (114,064)	\$ 66,702,823
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 36,051,660	\$ 1,751,715	\$ 0	\$ 37,803,375
Other Capital Assets	3,373,268	606,586	(114,064)	3,865,790
Total Accumulated Depreciation	\$ 39,424,928	\$ 2,358,301	\$ (114,064)	\$ 41,669,165
Total Capital Assets Depreciated, Net	\$ 27,042,452	\$ (2,008,794)	\$ 0	\$ 25,033,658
Governmental Activities Capital Assets, Net	\$ 28,978,302	\$ (2,008,794)	\$ 0	\$ 26,969,508

Depreciation expense was charged to functions of the discretely presented Weakley County School Department as follows:

### Governmental Activities:

Instruction	\$ 1,395,044
Support Services	798,860
Operation of Non-Instructional Services	<u>164,397</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,358,301</u></u>

**C. Construction Commitments**

At June 30, 2010, the discretely presented Weakley County School Department had uncompleted construction contracts of approximately \$288,365 in the General Purpose School Fund related to school repairs. Funding has been received for these future expenditures.

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2010, was as follows:

**Due to/from Other Funds:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 7,033
Highway/Public Works	General	150
Discretely Presented		
School Department:		
General Purpose School	School Federal Projects	4,469

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

The receivable in the Highway/Public Works Fund of \$150 was in transit from the General Fund at June 30, 2010. The receivable in the discretely presented General Purpose School Fund of \$4,469 was in transit from the School Federal Projects Fund at June 30, 2010.

**Due to/from primary government and component unit:**

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Unit:	
General	Weakley County	
	Nursing Home	\$ 779

The due from component unit balance in the General Fund was in transit from the Weakley County Nursing Home at June 30, 2010.

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2010, consisted of the following amounts:

## Primary Government

	Transfers In			
	General Fund	Highway/ Public Works Fund	General Debt Service Fund	Nonmajor Governmental Fund
Transfers Out				
Public Utility	\$ 183,585	\$ 51,534	\$ 184,103	\$ 6,441

## Discretely Presented Weakley County School Department

	Transfer In
Transfer Out	General Purpose School Fund
School Federal Projects Fund	\$ 4,469

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

## E. Long-term Debt

### Primary Government

#### General Obligation Bonds, Notes, and Other Loans

The county (excluding the Weakley County Municipal Electric System, enterprise fund) issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds and other loans have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 13 years for bonds, up to 20 years for other loans, and up to 19 years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2010, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2010, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-10
General Obligation Bond -			
School Refunding	2 to 4 %	\$ 17,125,000	\$ 9,420,000
Capital Outlay Notes	0 to 4	1,983,697	952,466
Other Loans	variable	23,609,705	14,935,705

In 1997-98, Weakley County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned Weakley County \$7,400,000. This loan is repayable at a variable interest rate based on the weekly Bank of America Thursday National Non-AMT Index (BOA). In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2010, the variable interest rate was .41 percent based on the BOA rate, and other fees totaled approximately .25 percent (letter of credit) and .08 percent (remarketing) of the outstanding loan principal.

During 2002-03, Weakley County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned Weakley County \$10,339,705. This loan is repayable at a variable interest rate based on the daily London Interbank Offer Rate (LIBOR). In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2010, the variable interest rate was .23 percent based on the LIBOR rate, and other fees totaled approximately .35 percent (letter of credit) and .08 percent (remarketing) of the outstanding loan principal.

During 2008-09, Weakley County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned Weakley County \$5,870,000. This loan is repayable at a variable interest rate based on the weekly Bank of America Thursday National Non-AMT Index (BOA). In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2010, the variable interest rate was .23 percent based on the BOA rate, and other fees totaled approximately .15 percent (letter of credit) and .08 percent (remarketing) of the outstanding loan principal.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2010, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 995,000	\$ 362,059	\$ 1,357,059
2012	1,100,000	322,258	1,422,258
2013	1,220,000	283,758	1,503,758
2014	1,745,000	239,838	1,984,838
2015	1,860,000	174,400	2,034,400
2016	2,500,000	100,000	2,600,000
Total	<u>\$ 9,420,000</u>	<u>\$ 1,482,313</u>	<u>\$ 10,902,313</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 297,085	\$ 31,340	\$ 328,425
2012	650,273	16,618	666,891
2013	5,108	0	5,108
Total	<u>\$ 952,466</u>	<u>\$ 47,958</u>	<u>\$ 1,000,424</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2011	\$ 2,073,000	\$ 41,338	\$ 64,848	\$ 2,179,186
2012	2,110,000	35,845	57,286	2,203,131
2013	2,148,000	30,228	49,560	2,227,788
2014	989,000	24,485	41,341	1,054,826
2015	1,031,000	21,365	36,866	1,089,231
2016-2020	4,613,000	57,325	112,130	4,782,455
2021-2023	1,971,705	9,034	21,388	2,002,127
Total	<u>\$ 14,935,705</u>	<u>\$ 219,620</u>	<u>\$ 383,419</u>	<u>\$ 15,538,744</u>

There is \$4,507,025 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$270, based on the 2000 federal census. Debt per capita, including bonds, notes, and other loans totaled \$725, based on the 2000 federal census.

#### Changes in Long-term Liabilities

Long-term liability activity for the primary government (excluding the Weakley County Municipal Electric System, enterprise fund) for the year ended June 30, 2010, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2009	\$ 11,030,000	\$ 1,319,941
Deductions	(1,610,000)	(367,475)
Balance, June 30, 2010	\$ 9,420,000	\$ 952,466
Balance Due Within One Year	\$ 995,000	\$ 297,085

	Other Loans	Compensated Absences
Balance, July 1, 2009	\$ 16,874,705	\$ 211,203
Additions	0	279,834
Deductions	(1,939,000)	(286,631)
Balance, June 30, 2010	\$ 14,935,705	\$ 204,406
Balance Due Within One Year	\$ 2,073,000	\$ 10,222

	Other Postemployment Benefits
Balance, July 1, 2009	\$ 18,218
Additions	112,043
Deductions	(15,044)
Balance, June 30, 2010	\$ 115,217
Balance Due Within One Year	\$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 25,627,794
Less: Balance Due Within One Year	(3,375,307)
Deferred Amount on Refunding	(274,621)
Add: Deferred Revenue - Premium on Debt	11,212
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	\$ 21,989,078

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds.

**Discretely Presented Weakley County School Department**

**Changes in Long-term Liabilities**

Long-term liability activity for the discretely presented Weakley County School Department for the year ended June 30, 2010, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2009	\$ 37,750	\$ 445,267
Additions	29,185	235,058
Deductions	(35,591)	(213,707)
	<hr/>	<hr/>
Balance, June 30, 2010	\$ 31,344	\$ 466,618
	<hr/>	<hr/>
Balance Due Within One Year	\$ 1,567	\$ 0
	<hr/>	<hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 497,962
Less: Balance Due Within One Year	<u>(1,567)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 496,395</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School Fund.

**F. Pledges of Local Option Sales Taxes**

In May 1998, the citizens of Weakley County voted by public referendum to increase the local option sales tax by one-half percent. Weakley County began collecting this tax in July 1998. The increase in sales tax was specifically designated for paying the debt service requirements for a loan from the Public Building Authority of Montgomery County, Tennessee, to construct a detention center and law enforcement complex. Weakley County and the cities of Martin, Dresden, Gleason, Greenfield, Sharon, and McKenzie have pledged their portions of the sales tax increase to the Weakley County General Debt Service Fund for a period of 12 years for the retirement of this debt. The cities' contributions are limited to maximum amounts for each 12-month period of collections as follows:



Martin	\$ 274,745
Dresden	59,860
Gleason	16,163
Greenfield	31,683
Sharon	11,002
McKenzie	540

This increase in local option sales tax resulted in the payment of \$391,817 in sales tax collections to the General Debt Service Fund for the year ended June 30, 2010.

**G. On-Behalf Payments – Discretely Presented Weakley County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Weakley County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2010, were \$126,253 and \$35,142, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**H. Short-term Debt**

During the year, Weakley County borrowed \$1,800,000 from the General Debt Service Fund to provide temporary operating funds for the General (\$1,000,000) and Highway/Public Works (\$800,000) funds. These loans were retired prior to June 30, 2010, as required by state statutes, and therefore have not been reflected in the financial statements of this report. Short-term debt activity for the year ended June 30, 2010, was as follows:

	Balance 7-01-09	Issued	Paid	Balance 6-30-10
Tax Anticipation Notes	\$ 0	\$ 1,800,000	\$ (1,800,000)	\$ 0

## V. OTHER INFORMATION

### A. Risk Management

#### Primary Government (excluding the Weakley County Municipal Electric System, enterprise fund)

##### Workers' Compensation Insurance

Weakley County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under the provisions of Section 29-20-401, Tennessee Code Annotated (TCA), by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

##### General Liability, Property, and Casualty

The county participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

##### Employee Health Insurance

Weakley County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, TCA, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

## **Discretely Presented Weakley County School Department**

### **Liability, Property, Casualty, and Workers' Compensation Insurance**

The Weakley County School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays an annual premium to the TN-RMT for its general liability, property, casualty, and worker's compensation insurance coverage. The creation of TN-RMT provides for it to be self-sustaining through member premiums.

### **Employee Health Insurance**

The School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, Tennessee Code Annotated (TCA), all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, TCA, provides for the LEGIF to be self-sustaining through member premiums.

## **B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments became effective for the year ended June 30, 2010.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets. Intangible assets have three characteristics: lack of physical substance, nonfinancial in nature, and a useful life that extends beyond a single reporting period. Assets that have these characteristics and are identifiable to the government should be recorded as capital assets and amortized over their useful lives. Easements, water rights, patents, and computer software are examples of intangible assets that should be recognized under GASB Statement No. 51. Weakley County and the Weakley County School Department had no assets that met the definition of intangible assets at June 30, 2010. However, it is reasonably expected that Weakley County and the School Department may acquire intangible assets in subsequent years.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by county governments. Derivative instruments are financial arrangements used by governments as investments; hedges against identified financial risks; or to lower the costs of borrowings. Interest rate swaps and locks, options, swaptions, forward contracts, and futures contracts are among the

commonly used types of derivatives mentioned in GASB Statement No. 53. Derivative instruments associated with fluctuating financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. For the same reasons, derivative instruments can expose governments to significant risks and liabilities. The requirements of GASB Statement No. 53 are intended to help users of financial information evaluate the effectiveness and associated risks involved with Weakley County's derivative transactions. GASB Statement No. 53 requires most derivatives to be reported at fair value in the Statement of Net Assets. Changes in fair value for derivative instruments that are intended for investment purposes or that are reported like investment derivative instruments because of ineffectiveness are reported as investment revenues in the Statement of Activities. Alternatively, the changes in fair value of derivative instruments that are classified as hedging (i.e., effective) derivative instruments are reported in the Statement of Net Assets as deferrals. Weakley County had not participated in derivative transactions as of June 30, 2010. However, it is reasonably expected that Weakley County may enter into derivative transactions in subsequent years.

**C. Subsequent Events**

On July 30, 2010, the county's General Debt Service Fund issued a \$1,000,000 tax anticipation note to the General Fund for temporary operating funds.

On August 13, 2010, the county's General Debt Service Fund issued an \$800,000 tax anticipation note to the Highway/Public Works Fund for temporary operating funds.

**D. Contingent Liabilities**

In the prior year, Weakley County issued \$2,489,056 in capital outlay notes for benefit of the Weakley County Municipal Electric System (enterprise fund) to assist in financing the cost of acquiring capital assets. The liability for these notes has not been reflected in the county's governmental activities long-term debt schedule since they are to be retired by the Weakley County Municipal Electric System. Weakley County will be contingently liable for the notes and the interest thereon in the event of default by the electric system. As of June 30, 2010, future principal requirements were \$2,204,972, and future interest requirements were \$482,696.

The attorney representing the Weakley County Board of Education has advised that the board is a defendant in litigation for the appeal of a special education due process proceeding filed by a parent on behalf of a student. The case alleges that the student was not given proper consideration and/or evaluation for special education services. An administrative law judge ruled in favor of the parent and issued an order for payment of educational services provided at a private placement; however, this ruling was appealed. The parties agreed to submission of evidence and written briefs instead of a live

trial and are now waiting on the court to rule. The financial exposure to the county cannot be reasonably estimated in the event of an adverse judgment.

The county is also involved in several other pending lawsuits. The county attorney estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

#### **E. Joint Ventures**

The Twenty-seventh Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-seventh Judicial District, Obion and Weakley counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within the judicial district. Weakley County made no contributions to the DTF for the year ended June 30, 2010, and does not have any equity interest in this joint venture.

The Everett-Stewart Regional Airport is a joint venture between Weakley and Obion counties and was established December 1, 2006. The agreement between Obion and Weakley counties states that the land and other capital assets, including improvements, will continue to be owned by Obion County; however, the funding of airport operations will be jointly funded and managed by both counties. Weakley County appropriated \$75,000 to the Everett-Stewart Regional Airport during the year.

The Weakley County Economic Development Board is a joint venture between Weakley County and the cities of Martin, Dresden, Greenfield, Gleason, and Sharon. The board comprises the county and city mayors, 14 additional members, and four ex-officio non-voting members. The purpose of the board is to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. The county and cities provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Weakley County appropriated \$187,400 to the Weakley County Economic Development Board during the year representing 93.7 percent of the total funding.

Complete financial statements for the DTF, the Everett-Stewart Regional Airport, and the Weakley County Economic Development Board can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General  
Twenty-seventh Judicial District  
P.O. Box 746  
Union City, TN 38281-0746

Everett-Stewart Regional Airport  
1489 Airport Circle  
Union City, TN 38261

Weakley County Economic Development Board  
c/o Ronnie Price, President/CEO  
P.O. Box 106  
Martin, TN 38237

**F. Retirement Commitments**

**Employees**

**Plan Description**

Employees of Weakley County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Weakley County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.tn.gov/treasury/tcrs/PS](http://www.tn.gov/treasury/tcrs/PS).

## **Funding Policy**

Weakley County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 11.51 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Weakley County is established and may be amended by the TCRS Board of Trustees.

## **Annual Pension Cost**

For the year ended June 30, 2010, Weakley County's annual pension cost of \$1,156,854 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Weakley County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was ten years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

### **Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	\$1,156,854	100%	\$0
6-30-09	1,165,580	100	0
6-30-08	1,215,233	100	0

## **Funded Status and Funding Progress**

As of July 1, 2009, the most recent actuarial valuation date, the plan was 90.43 percent funded. The actuarial accrued liability for benefits was \$24.96 million, and the actuarial value of assets was \$22.57 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$2.39 million. The covered payroll (annual payroll of active employees covered by the plan) was

\$10.24 million, and the ratio of the UAAL to the covered payroll was 23.34 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The TCRS uses the frozen entry age actuarial cost method to calculate the annual required contribution. Effective July 1, 2009, the TCRS reestablished the unfunded accrued liabilities for all groups.

## **School Teachers**

### **Plan Description**

The Weakley County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.tn.gov/treasury/tcrs/Schools](http://www.tn.gov/treasury/tcrs/Schools).



## **Funding Policy**

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the Weakley County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2010, was 6.42 percent of annual covered payroll. The employer contribution requirement for the Weakley County School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2010, 2009, and 2008, were \$1,029,280, \$1,033,673, and \$1,005,869, respectively, equal to the required contributions for each year.

### **G. Other Postemployment Benefits (OPEB)**

#### **Plan Description**

Weakley County and the Weakley County School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-207, Tennessee Code Annotated (TCA), for local governments and Section 8-27-302, TCA, for teachers and support personnel. Prior to reaching the age of 65, all members have the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

#### **Funding Policy**

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plans are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. Retirees' contributions vary depending on the insurance options they select. During the year ended June 30, 2010, Weakley County and the discretely presented Weakley County School Department contributed \$15,044 and \$213,707, respectively, for postemployment benefits.

### Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
ARC	\$ 112,000	\$ 234,000
Interest on the NPO	820	20,037
Adjustment to the ARC	(777)	(18,979)
Annual OPEB cost	\$ 112,043	\$ 235,058
Less: Amount of contribution	(15,044)	(213,707)
Increase/decrease in NPO	\$ 96,999	\$ 21,351
Net OPEB obligation, 7-1-09	18,218	445,267
Net OPEB obligation, 6-30-10	\$ 115,217	\$ 466,618

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Government Group	\$ 27,884	41%	\$ 8,942
6-30-09	"	28,193	67	18,218
6-30-10	"	112,043	13	115,217
6-30-08	Local Education Group	364,332	68	216,245
6-30-09	"	362,082	37	445,267
6-30-10	"	235,058	91	466,618

### Funding Status and Funding Progress

The funded status of the plans as of June 30, 2010, were as follows:

	Local Government Group Plan	Local Education Group Plan
Actuarial valuation date	7-1-09	7-1-09
Actuarial accrued liability (AAL)	\$ 883,000	\$ 2,624,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 883,000	\$ 2,624,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 3,743,955	\$ 18,842,570
UAAL as a % of covered payroll	24%	14%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2009, actuarial valuation, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses). The Local Education Plan had an annual healthcare cost trend rate of four percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The annual healthcare cost trend rate for the Local Government Plan was three percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level of percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

### **H. Office of Central Accounting, Budgeting, and Purchasing**

Weakley County operates under the provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing for all county departments. The act also provides for the creation of a Finance Department operated under the direction of the director of finance.

### **I. Purchasing Law**

The County Financial Management System of 1981 provides for the director of finance or a deputy appointed by the director to serve as the county purchasing agent. The finance director serves as the purchasing agent for Weakley County. All purchase orders are issued by the Finance Department. Purchases exceeding \$10,000 are required to be competitively bid.

VI. **OTHER NOTES – WEAKLEY COUNTY MUNICIPAL ELECTRIC SYSTEM (ENTERPRISE FUND)**

A. **Significant Accounting Policies**

1. **Reporting Entity**

The Weakley County Municipal Electric System is a proprietary fund of Weakley County. Tennessee Code Annotated, Section 7-52-117(c), states “Subject to the provisions of Section 7-52-132, the superintendent with the approval of the supervisory body, may acquire and dispose of all property, real and personal, necessary to effectuate the purpose of this part. The title of such property shall be taken in the name of the municipality” (county). Therefore, Weakley County Municipal Electric System does not possess sufficient corporate powers that distinguish it as a legally separate entity and is considered a proprietary fund of Weakley County, Tennessee.

2. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The electric system’s financial statements are presented on the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Governmental Accounting Standards Board (GASB) Statement No. 20 gives governments the option of applying all Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, to its proprietary funds, unless they conflict with or contradict GASB pronouncements. Weakley County has elected not to implement FASB statements and interpretations issued thereafter, unless they are adopted by GASB.

The books of account are kept in accordance with the provisions of the power contract between the Weakley County Municipal Electric System and the Tennessee Valley Authority (TVA) and meet the requirements of the Federal Power System chart of accounts.

The electric system recognizes income based on cycle billings. This results in recognizing as income the energy usage through each respective cycle each month, which may not coincide with the last day of the fiscal year. Non-recognition of unbilled income from energy sales as a result of cycle billing is a common industry practice.

The cost of purchased power is accrued based on the final meter reading of the fiscal year. This may result in an unrecognized expense for the period between the final billing and the end of the fiscal year.

This practice is consistent with TVA guidelines and does not differ significantly from generally accepted accounting principles.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the electric system are charges to customers for sales and service. Operating expenses for the enterprise fund include the cost of purchased power, operation expenses, maintenance expenses, amortization of plant acquisition adjustment, property tax equivalent, payroll taxes, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**3. Assets, Liabilities, and Net Assets**

**a. Deposits and Investments**

Cash and cash equivalents as used on the Statement of Cash Flows include cash on hand, demand deposits at financial institutions, and funds held in the State of Tennessee Local Government Investment Pool. The funds held in the State of Tennessee Local Government Investment Pool mature every 30 days.

**b. Accounts Receivable**

Trade receivables result from unpaid billings for electric service to customers and from unpaid billings related to work performed for or materials sold to certain entities. The electric system uses the direct write-off method of uncollectible accounts, rather than an estimated allowance for uncollectible accounts. This method, though not recognized by generally accepted accounting principles, does not distort the presentation by a material amount.

Operating revenues are reported net of bad debt expense. Bad debt expense for the year ended June 30, 2010, was \$42,744.

**c. Inventories**

The electric system uses a perpetual inventory system and has actual physical counts annually. Inventories are stated at cost, using an average costing method.

**d. Capital Assets**

Capital assets include property, plant and equipment, work in progress, and an electric plant acquisition adjustment. Such assets are stated substantially at original cost. The electric system capitalizes interest costs as part of the cost of construction when the construction period covers more than 12 months. No interest costs were capitalized for the year under examination. The electric system provides for depreciation on a straight-line basis at rates recommended by the Tennessee Valley Authority. These rates purport to depreciate the property over its estimated useful life. Depreciation expense for the year ended June 30, 2010, was \$1,436,203, and \$115,291 cleared through other accounts, for a total accrual of \$1,551,494. The electric plant acquisition adjustment represents the cost of acquiring existing plant from neighboring systems over the book value of the plant purchased. This amount is amortized over a ten-year period as prescribed by state statutes. Amortization for the year ended June 30, 2010, was \$38,728.

**e. Leases**

The electric system leases attachment space on joint use poles to and from telephone companies and various cable television companies. These leases are accounted for as operating leases. Rent expense for the year ended June 30, 2010, was \$20,905.

**f. Compensated Absences**

Employees are entitled to paid vacation and sick days depending on length of service and other factors. An accrual for compensated absences has been made, which includes accumulated vacation leave and one-half of accumulated sick leave.

**g. Net Assets**

Equity is classified as net assets and displayed in the following components:

- Invested in Capital Assets, net of related debt – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any payables that are attributable to the acquisition, construction, or improvement of those assets.

- Unrestricted – All other net assets that do not meet the description of the above categories.

## **B. Detailed Notes on All Accounts**

### **1. Deposits and Investments**

**Custodial Credit Risk.** The electric system's policies limit investments to those instruments allowed by applicable state laws as described above in Note VI.A.(3)(a). State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the system's agent in the system's name, or by the Federal Reserve Banks acting as third-party agents. State statutes also authorize the electric system to invest in bonds, notes, or treasury bills of the United States or any of its agencies; certificates of deposit at Tennessee state chartered banks, savings and loan associations, and federally chartered banks and savings and loan associations; repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities; the state pooled investment fund; and mutual funds. Statutes also require that securities underlying repurchase agreements must have a market value of at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2010, all bank deposits were fully collateralized or insured.

### **2. Prepayments**

The Weakley County Municipal Electric System elected to participate in a Discounted Energy Units (DEU) Program offered by TVA. This program allowed the electric system to purchase DEUs in one million dollar increments, which entitles them to a 2.5 cent per kwh program discount on a specified quantity for a specified term. The electric system's agreement is for a period of ten years, and amounts will be amortized over the ten-year period. For the year ended June 30, 2010, the electric system received credit of \$130,500 for prepaid purchased power.

### **3. Interfund Activity**

A transfer is made each year from the Weakley County Municipal Electric System to the primary government of Weakley County for an in-lieu-of tax payment. The transfer amount for the year ended June 30, 2010, was \$425,663. An additional \$238,345 in-lieu-of tax payment was made to the General Purpose School Fund.

#### 4. Capital Assets

Capital assets activity during the year was as follows:

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Transmission Plant Land	\$ 100,307	\$ 0	\$ 0	\$ 100,307
Distribution Plant Land	111,975	0	0	111,975
General Plant Land	306,131	0	0	306,131
Construction in Progress	7,589,373	0	(6,908,861)	680,512
Total Capital Assets Not Depreciated	\$ 8,107,786	\$ 0	\$ (6,908,861)	\$ 1,198,925
Capital Assets Depreciated:				
Transmission Plant	\$ 4,866,054	\$ 2,131	\$ (31,475)	\$ 4,836,710
Distribution Plant	40,021,656	1,281,884	(389,145)	40,914,395
General Plant	4,509,645	7,917,013	(256,752)	12,169,906
Electric Plant Acquisition Adjustment	325,782	0	(38,728)	287,054
Total Capital Assets Depreciated	\$ 49,723,137	\$ 9,201,028	\$ (716,100)	\$ 58,208,065
Less Accumulated Depreciation For:				
Transmission Plant	\$ 3,124,746	\$ 47,219	\$ 0	\$ 3,171,965
Distribution Plant	18,490,526	1,303,735	(509,135)	19,285,126
General Plant	3,462,925	200,540	(202,027)	3,461,438
Total Accumulated Depreciation	\$ 25,078,197	\$ 1,551,494	\$ (711,162)	\$ 25,918,529
Total Capital Assets Depreciated, Net	\$ 24,644,940	\$ 7,649,534	\$ (4,938)	\$ 32,289,536
Total Capital Assets, Net	\$ 32,752,726	\$ 7,649,534	\$ (6,913,799)	\$ 33,488,461

#### 5. Notes Payable

Two notes were executed with First State Bank to assist in financing the costs of capital assets. Two draw-down lines of credit were established for \$2,000,000 each. The draw-down feature expired after six months, and during this period, monthly interest-only payments were due. The amounts outstanding are being repaid through monthly payments of principal and interest. Both notes are unsecured and have a fixed interest rate. Details of the two notes are as follows:



Loan No.	Loan Date	Maturity Date	Interest Rate	Monthly Payment	Outstanding Balance 6-30-10
82112076	11-17-08	11-17-20	4.45 %	\$ 18,607	\$ 1,852,445
92112453	4-28-09	4-24-12	3.3	19,635	<u>352,527</u>
					<u>\$ 2,204,972</u>

Amounts due on notes payable for the next five years and to maturity are shown below:

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 370,020	\$ 88,888	\$ 458,908
2012	274,086	75,573	349,659
2013	156,047	67,242	223,289
2014	163,235	60,055	223,290
2015	170,755	52,535	223,290
2016-2020	979,092	137,358	1,116,450
2021	91,737	1,045	92,782
Total	<u>\$ 2,204,972</u>	<u>\$ 482,696</u>	<u>\$ 2,687,668</u>

Changes in long-term debt during the year ended June 30, 2010, are summarized as follows:

Loan No.	Balance 7-1-09	Payments	Balance 6-30-10	Due Within One Year
82112076	\$ 1,989,056	\$ 136,611	\$ 1,852,445	\$ 142,615
92112453	<u>500,000</u>	<u>147,473</u>	<u>352,527</u>	<u>227,405</u>
Total	<u>\$ 2,489,056</u>	<u>\$ 284,084</u>	<u>\$ 2,204,972</u>	<u>\$ 370,020</u>

## C. Other Information

### 1. Pension Plan

Employees of the Weakley County Municipal Electric System are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year

average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Weakley County Municipal Electric System participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10<sup>th</sup> Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.tn.gov/treasury/tcrs/PS/](http://www.tn.gov/treasury/tcrs/PS/).

### **Funding Policy**

The Weakley County Municipal Electric System requires employees to contribute five percent of their earnable compensation. The Weakley County Municipal Electric System is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 18.86 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the Weakley County Municipal Electric System is established and may be amended by the TCRS Board of Trustees.

### **Annual Pension Cost**

For the year ended June 30, 2010, the Weakley County Municipal Electric System's annual pension cost of \$485,085 to TCRS was equal to their required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the

portion attributable to the effects of inflation on salaries), and (c) projected 3.5 percent annual increase in the Social Security wage base. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of equities over a five-year period. The Weakley County Municipal Electric System's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was 14 years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

### **Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	\$485,085	100%	\$0
6-30-09	502,885	100	0
6-30-08	525,393	100	0

### **Funded Status and Funding Progress**

As of July 1, 2009, the most recent actuarial valuation date, the plan was 55.11 percent funded. The actuarial accrued liability for benefits was \$10.6 million, and the actuarial value of assets was \$5.84 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$4.76 million. The covered payroll (annual payroll of active employees covered by the plan) was \$2.55 million, and the ratio of the UAAL to the covered payroll was 186.82 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

**2. Risk Management**

It is the policy of the electric system to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property, casualty, workers' compensation, employee health and accident, and employee and officer liability and dishonesty. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**VII. OTHER NOTES – DISCRETELY PRESENTED WEAKLEY COUNTY NURSING HOME**

**A. Significant Accounting Policies**

**1. Reporting Entity**

The Weakley County Nursing Home is a discretely presented component unit of Weakley County, Tennessee, and is, therefore, included in their audit report. The board of directors of the Weakley County Nursing Home is comprised of county commissioners who are appointed to the board. Before the issuance of any debt instruments, the nursing home must obtain the approval of the County Commission. The Weakley County Nursing Home is located in Dresden, Tennessee, and mainly serves the residents of Weakley County by rendering intermediate and skilled care to patients.

**2. Basis of Accounting**

The Weakley County Nursing Home is a governmental unit and uses fund accounting. The nursing home is an enterprise fund in that operations are accounted for in a manner similar to a private business, where the intent of the governing body is that the costs of operations (including depreciation) will be recovered through user charges.

The nursing home uses the accrual basis of accounting. The accrual basis of accounting recognizes revenues when earned and expenses as incurred.

The Governmental Accounting Standards Board (GASB) Statement No. 20 requires that governments' proprietary activities apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins. Governments are given the option whether or not to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The Weakley County Nursing Home has

elected not to implement FASB Statements and Interpretations issued after November 30, 1989.

**3. Depreciation**

Capital assets are recorded at historical cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives for assets are as follows:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	5 - 40
Equipment	5 - 15
Vehicles	5
Other Capital Assets	7 - 10

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets' lives are not capitalized. Typically, purchases of less than \$250 are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

**4. Leases**

The Weakley County Nursing Home is not obligated on any significant lease agreements.

**5. Inventories**

Inventories, consisting of supplies held for consumption, are valued at cost, using the first-in, first-out (FIFO) method. Inventories are adjusted to physical counts at the end of each fiscal year.

**6. Net Assets**

Equity is classified as net assets and displayed in the following components:

- a. Invested in Capital Assets, net of related debt – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.

- b. Unrestricted – All other net assets that do not meet the description of the above categories.

**7. Cash and Cash Equivalents**

Cash and cash equivalents as used on the Statement of Cash Flows represent cash on hand, cash in bank, and cash in two money market accounts. They do not include certificates of deposit or patient trust funds. For purposes of the Statement of Cash Flows, the nursing home considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

**8. Allowance for Doubtful Accounts**

An allowance for doubtful accounts has not been reflected as of the balance sheet date. The direct write-off of bad debts is made at the end of each fiscal year. The direct write-off method is not in accordance with generally accepted accounting principles, but the effect on the financial statements is immaterial. For the current year, \$92,359 in bad debts was written off.

**9. Budget**

The nursing home adopts a budget prior to the beginning of each fiscal year. The budget, as amended, is presented against operations in the statement of budgetary comparison. Any expenditures over budgeted amounts require an amendment to the budget by the board of directors.

**10. Date of Management Review**

Subsequent events have been evaluated through September 20, 2010, which is the date the nursing home's financial statements were available to be issued.

**B. Compensated Absences**

Employees are entitled to paid vacation and sick days depending on length of service and other factors. Only full-time employees are entitled to these benefits. The policy of the nursing home is to pay eligible employees up to 15 days of vacation time upon termination assuming they have 15 days of vacation time accrued. An accrual for vacation pay has been made on the financial statements presented. However, sick pay has not been accrued since it is payable only for those who are currently employed with no benefits due upon termination of any employee.

**C. Deposits and Investments**

**Custodial Credit Risk.** The nursing home's policies limit deposits and investments to those instruments allowed by applicable state laws. State statute requires that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the nursing home's agent in the nursing home's name, or by the Federal Reserve banks acting as third-party agents. State statute also authorizes the nursing home to invest in bonds, notes, or treasury bills of the United States or any of its agencies; certificates of deposit at Tennessee state chartered banks, savings and loan associations, and federally chartered banks and savings and loan associations; repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities; the state pooled investment fund; and mutual funds. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2010, all bank deposits were fully collateralized or insured.

**D. Risk Management**

Prior to February 1, 2001, the Weakley County Nursing Home chose to cover its employees' health insurance claims below \$20,000 for each employee up to a maximum total annual exposure amount for the nursing home, which is based on a calculation that changes as the number of participants and premium amounts change. The nursing home had obtained a stop/loss commercial insurance policy to cover claims beyond this liability. As of February 1, 2001, the nursing home changed to commercial health insurance for its employees through Blue Cross Blue Shield for everything except a paid prescription card.

The Weakley County Nursing Home felt it was more economically feasible to be covered under Weakley County's insurance policies for workers' compensation, property, casualty, and automobile insurance. Weakley County is covered under the Local Government Property and Casualty Fund (LGPCF). The nursing home pays an annual premium to the LGPCF for coverage under the above areas. The LGPCF has self-insured retention of \$100,000 for each loss and/or claim and/or occurrence.

The Weakley County Nursing Home continues to carry commercial insurance for all other risks of loss, including general liability and fidelity bonding. Settled claims have not exceeded commercial insurance coverage in any of the past three years.

**E. Changes in Capital Assets**

Capital assets activity for the year ended June 30, 2010, was as follows:

	Balance 7-1-09	Increases	Balance 6-30-10
Capital Assets Not Depreciated:			
Land	\$ 2,371	\$ 0	\$ 2,371
Total Capital Assets Not Depreciated	\$ 2,371	\$ 0	\$ 2,371
Capital Assets Depreciated:			
Land Improvements	\$ 64,212	\$ 0	\$ 64,212
Building and Improvements	2,865,189	20,192	2,885,381
Equipment	1,132,215	53,585	1,185,800
Vehicles	55,559	0	55,559
Other Assets	40,815	0	40,815
Total Capital Assets Depreciated	\$ 4,157,990	\$ 73,777	\$ 4,231,767
Less Accumulated Depreciated For:			
Land Improvements	\$ 33,388	\$ 2,331	\$ 35,719
Building and Improvements	1,541,810	78,063	1,619,873
Equipment	937,993	54,079	992,072
Vehicles	35,492	4,300	39,792
Other Assets	40,815	0	40,815
Total Accumulated Depreciation	\$ 2,589,498	\$ 138,773	\$ 2,728,271
Total Capital Assets Depreciated, Net	\$ 1,568,492	\$ (64,996)	\$ 1,503,496
Business-type Capital Assets, Net	\$ 1,570,863	\$ (64,996)	\$ 1,505,867

**F. Pension Information**

**Plan Description**

Employees of the Weakley County Nursing Home participate in the pension plan established by Weakley County. Employees of Weakley County, including the Weakley County Nursing Home, are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible



to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Weakley County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs/PS/>.

Since the Weakley County Nursing Home participates in Weakley County's plan, retirement information for the Weakley County Nursing Home is not available separately from the retirement information provided for the county. Complete disclosure for the county's participation in the TCRS is described in footnote V.F.

**G. Commitment to Weakley County**

During the year ended June 30, 2006, the nursing home received \$300,000 from Weakley County to help finance the construction of the new therapy wing. Because there was not a written agreement between the county and the nursing home for the repayment of these funds, the previous years' financial statements of the nursing home did not reflect a long-term debt liability. The original intent of the nursing home was to repay the county based on a 4.4 percent interest rate and a maturity date of October 1, 2010. The nursing home elected to repay the note as of June 30, 2010.

## **VIII. OTHER NOTES – DISCRETELY PRESENTED WEAKLEY COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

### **A. Significant Accounting Policies**

#### **1. Reporting Entity**

The Weakley County Emergency Communications District was approved by a referendum on August 4, 1994. The County Commission passed a resolution, to establish the Emergency Communications District in accordance with Tennessee Code Annotated, Section 7-86-101, on August 22, 1994. The district accounts for its financial position and results of operations in accordance with generally accepted accounting principles applicable to governmental units. Currently only the proprietary fund type is used that accounts for activities conducted on a fee-for-service basis in a manner similar to commercial enterprises providing services to the public (enterprise fund).

The district's financial statements include all accounts of the district's operations. The criteria for including organization's with the district's reporting entity, as set forth in GASB No. 14, The Financial Reporting Entity, is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Based upon these criteria, there were no component units that required presentation.

The district is, however, considered a discretely presented component unit of Weakley County, Tennessee, because of the following factors. The Weakley County Commission appoints the board and has a right to remove them. The county also provides office space for the district's business use, and the district is accountable to the county for fiscal matters.

#### **2. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The Weakley County Emergency Communications District accounts for its financial position and results of operations in accordance with generally accepted accounting principles as defined in the statements of the Governmental Accounting Standards Board (GASB). Generally accepted accounting principles for proprietary fund types are those applicable to similar businesses in the private sector, and the measurement focus is on the determination of net income, financial position, and cash flows. Proprietary fund types are accounted for on the accrual basis, whereby income is recognized as it is earned, and expenses are recognized as they are incurred, whether or not cash

is received or paid out at that time. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Statement No. 20 gives governments the option of applying all Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, to its proprietary funds, unless they conflict with or contradict GASB pronouncements. The Office of the Comptroller of the Treasury requires Tennessee emergency communications districts not to implement FASB statements and interpretations issued thereafter, unless they are adopted by GASB.

**3. Assets, Liabilities, and Net Assets**

**a. Deposits and Investments**

The district's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of inception.

State statutes authorize the district to invest in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, obligations by the U.S. government or its agencies, repurchase agreements, as approved by the state Comptroller's Office, and the state's local government investment pool.

**b. Accounts Receivable**

Accounts receivable represent amounts due from various phone companies.

**c. Capital Assets**

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from five to 40 years. The district's capitalization threshold is set at \$5,000 per unit cost. Interest costs incurred on financing during the construction or installation period of capital assets are capitalized as part of the cost of the assets. For the year under review, there were no interest costs capitalized.

**d. Compensated Absences**

The district has adopted Weakley County's Personnel Policies, which allow full-time employees one sick day per month with a maximum carry over of 90 days to the subsequent year and one

vacation day per month with a maximum carry over of 15 days. These benefits normally are accrued in proprietary funds (using the accrual basis of accounting). Employees are not paid for unused sick days but may be paid for a maximum of 15 unused vacation days. This liability is reflected in the current year's financial statements.

e. **Net Assets**

Equity is classified as net assets and displayed in the following components:

- Invested in Capital Assets – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any payables that are attributable to the acquisition, construction, or improvement of those assets.
- Unrestricted – All other net assets that do not meet the description of the above category.

B. **Detailed Notes on Accounts**

1. **Deposits and Investments**

**Custodial Credit Risk.** The district's policies limit investments to those instruments allowed by applicable state laws. State statute requires that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the district's agent in the district's name, or by the Federal Reserve banks acting as third-party agents. As of June 30, 2010, all bank deposits were fully collateralized or insured.

2. **Capital Assets**

Capital assets activity during the year was as follows:

	Balance 7-1-09	Increases	Balance 6-30-10
Capital Assets			
Depreciated:			
Furniture and Fixtures	\$ 515,900	\$ 171,101	\$ 687,001
Machinery and Equipment	72,657	0	72,657
Vehicles	45,076	0	45,076
Total Capital Assets			
Depreciated	\$ 633,633	\$ 171,101	\$ 804,734
Less Accumulated Depreciation For:			
Furniture and Fixtures	\$ 354,154	\$ 46,468	\$ 400,622
Machinery and Equipment	17,108	10,150	27,258
Vehicles	31,276	4,600	35,876
Total Accumulated Depreciation	\$ 402,538	\$ 61,218	\$ 463,756
Total Capital Assets, Net	\$ 231,095	\$ 109,883	\$ 340,978

Depreciation expense for the year ended June 30, 2010, was \$61,218.

## C. Other Information

### 1. Risk Management

The district's primary risk of loss is from suits filed for improper response or handling of emergency 911 calls. The district's significant losses are covered by commercial liability insurance. There were no claims or settlements made during this fiscal year and no losses were sustained. Board members with financial responsibility are bonded.

### 2. Employees' Retirement Plan

#### **Plan Description**

Employees of the Weakley County Emergency Communications District are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who became disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or

injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the Weakley County Emergency Communications District participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.tn.gov/treasury/tcrs/PS/](http://www.tn.gov/treasury/tcrs/PS/).

### **Funding Policy**

The Weakley County Emergency Communications District has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 30.75 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the Weakley County Emergency Communications District is established and may be amended by the TCRS Board of Trustees.

### **Annual Pension Cost**

For the year ended June 30, 2010, the Weakley County Emergency Communications District's annual pension cost of \$12,930 to TCRS was equal to the district's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. The

Weakley County Emergency Communications District's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was eight years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

#### **Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	\$12,930	100 %	\$ 0
6-30-09	12,915	100	0
6-30-08	10,619	100	0

#### **Funded Status and Funding Progress**

As of July 1, 2009, the most recent actuarial valuation date, the plan was 58.84 percent funded. The actuarial accrued liability for benefits was \$.18 million, and the actuarial value of assets was \$.1 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.08 million. The covered payroll (annual payroll of active employees covered by the plan) was zero, and the ratio of the UAAL to the covered payroll was 128 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

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## REQUIRED SUPPLEMENTARY INFORMATION

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Exhibit F-1

Weakley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,803,068	\$ 0	\$ 0	\$ 3,803,068	\$ 4,071,519	\$ 3,915,619	\$ (112,551)
Licenses and Permits	25,305	0	0	25,305	43,000	43,115	(17,810)
Fines, Forfeitures, and Penalties	192,103	0	0	192,103	287,800	290,300	(98,197)
Charges for Current Services	102,232	0	0	102,232	110,819	111,009	(8,777)
Other Local Revenues	48,390	0	0	48,390	23,570	28,804	19,586
Fees Received from County Officials	1,249,307	0	0	1,249,307	1,402,000	1,402,000	(152,693)
State of Tennessee	1,335,183	0	0	1,335,183	1,406,288	1,553,083	(217,900)
Federal Government	184,608	0	0	184,608	195,817	199,317	(14,709)
Other Governments and Citizens Groups	226,056	0	0	226,056	241,886	243,386	(17,330)
Total Revenues	\$ 7,166,252	\$ 0	\$ 0	\$ 7,166,252	\$ 7,782,699	\$ 7,786,633	\$ (620,381)

<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 69,967	\$ (728)	\$ 0	\$ 69,239	\$ 94,902	\$ 82,340	\$ 13,101
County Mayor/Executive	129,170	0	0	129,170	134,442	132,695	3,525
County Attorney	23,236	0	0	23,236	18,000	24,000	764
Election Commission	220,669	0	0	220,669	237,490	226,451	5,782
Register of Deeds	152,657	0	0	152,657	157,018	156,741	4,084
County Buildings	186,262	(590)	0	185,672	186,062	196,752	11,080
<u>Finance</u>							
Accounting and Budgeting	334,320	(2,052)	200	332,468	335,164	335,130	2,662
Property Assessor's Office	223,488	(12)	0	223,476	226,290	226,370	2,894
Reappraisal Program	57,540	0	0	57,540	62,500	62,500	4,960
County Trustee's Office	187,328	0	0	187,328	189,751	188,383	1,055
County Clerk's Office	291,805	0	0	291,805	303,706	301,360	9,555

(Continued)

Weakley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund (Cont.)

Exhibit F-1

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 231,983	\$ 0	\$ 0	\$ 231,983	\$ 238,055	\$ 238,349	\$ 6,366
General Sessions Court	248,386	0	0	248,386	254,897	254,243	5,857
Chancery Court	198,640	(709)	0	197,931	207,872	210,855	12,924
Juvenile Court	181,720	0	0	181,720	205,388	199,502	17,782
District Attorney General	32,219	0	0	32,219	28,757	32,321	102
Other Administration of Justice	153,204	(162)	0	153,042	170,000	170,000	16,958
Probation Services	58,772	0	0	58,772	62,747	62,747	3,975
<u>Public Safety</u>							
Sheriff's Department	1,481,511	(1,865)	22	1,479,668	1,551,109	1,522,829	43,161
Traffic Control	345,581	0	0	345,581	361,244	345,583	2
Jail	1,066,756	(39)	11,635	1,078,352	1,115,155	1,092,957	14,605
Correctional Incentive Program Improvements	2,000	0	0	2,000	2,000	2,000	0
Fire Prevention and Control	22,000	0	0	22,000	22,000	22,000	0
Civil Defense	118,108	(1,000)	0	117,108	124,528	124,528	7,420
Rescue Squad	5,500	0	0	5,500	5,500	5,500	0
County Coroner/Medical Examiner	5,325	0	0	5,325	5,000	6,500	1,175
Other Public Safety	2,559	0	0	2,559	4,200	3,200	641
<u>Public Health and Welfare</u>							
Local Health Center	157,713	0	0	157,713	151,694	248,643	90,930
Ambulance/Emergency Medical Services	235,000	0	0	235,000	235,000	235,000	0
Maternal and Child Health Services	2,500	0	0	2,500	2,500	2,500	0
Crippled Children Services	2,167	0	0	2,167	2,167	2,167	0
Other Local Health Services	25,494	0	0	25,494	29,000	29,000	3,506
General Welfare Assistance	35,950	0	0	35,950	22,000	39,500	3,550

(Continued)

Weakley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund (Cont.)

Exhibit F-1

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	\$ 135,710	\$ 0	\$ 0	\$ 135,710	\$ 130,024	\$ 137,447	\$ 1,737
Senior Citizens Assistance	32,519	0	0	32,519	34,160	33,481	962
Libraries	178,571	0	0	178,571	184,870	182,199	3,628
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	75,628	0	0	75,628	78,968	78,630	3,002
Soil Conservation	33,609	0	0	33,609	33,964	33,867	258
Flood Control	23,726	0	0	23,726	23,726	23,726	0
<u>Other Operations</u>							
Veterans' Services	37,485	0	0	37,485	41,469	38,596	1,111
Other Charges	4,156	0	0	4,156	4,784	4,784	628
Contributions to Other Agencies	296,036	0	0	296,036	296,036	296,036	0
Employee Benefits	13,196	0	0	13,196	5,000	13,400	204
ARRA Grant No. 1	20,885	0	0	20,885	40,000	40,000	19,115
ARRA Grant No. 2	22,520	0	0	22,520	23,827	23,827	1,307
ARRA Grant No. 3	25,319	0	0	25,319	30,000	30,000	4,681
ARRA Grant No. 4	3,499	0	0	3,499	0	3,500	1
Miscellaneous	205,608	0	0	205,608	219,960	209,110	3,502
Total Expenditures	\$ 7,597,997	\$ (7,157)	\$ 11,857	\$ 7,602,697	\$ 7,892,926	\$ 7,931,249	\$ 328,552
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	\$ (431,745)	\$ 7,157	\$ (11,857)	\$ (436,445)	\$ (110,227)	\$ (144,616)	\$ (291,829)
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 5,675	\$ 0	\$ 0	\$ 5,675	\$ 0	\$ 0	\$ 5,675

(Continued)

Exhibit F-1

Weakley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>							
Insurance Recovery	\$ 773	\$ 0	\$ 0	\$ 773	\$ 5,000	\$ 5,000	\$ (4,227)
Transfers In	183,585	0	0	183,585	12,450	196,050	(12,465)
Total Other Financing Sources (Uses)	\$ 190,033	\$ 0	\$ 0	\$ 190,033	\$ 17,450	\$ 201,050	\$ (11,017)
Net Change in Fund Balance	\$ (241,712)	\$ 7,157	\$ (11,857)	\$ (246,412)	\$ (92,777)	\$ 56,434	\$ (302,846)
Fund Balance, July 1, 2009	970,176	(7,157)	0	963,019	625,245	625,245	337,774
Fund Balance, June 30, 2010	\$ 728,464	\$ 0	\$ (11,857)	\$ 716,607	\$ 532,468	\$ 681,679	\$ 34,928

Exhibit F-2

Weakley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>							
Local Taxes	\$ 1,751,261	\$ 0	\$ 0	\$ 1,751,261	\$ 1,813,963	\$ 1,762,600	\$ (11,339)
Licenses and Permits	1,975	0	0	1,975	0	2,000	(25)
Other Local Revenues	16,381	0	0	16,381	25,000	14,523	1,858
State of Tennessee	2,120,424	0	0	2,120,424	2,302,846	2,079,477	40,947
Federal Government	44,220	0	0	44,220	76,944	79,073	(34,853)
Other Governments and Citizens Groups	4,648	0	0	4,648	0	0	4,648
Total Revenues	\$ 3,938,909	\$ 0	\$ 0	\$ 3,938,909	\$ 4,218,753	\$ 3,937,673	\$ 1,236
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 120,031	\$ 0	\$ 0	\$ 120,031	\$ 123,329	\$ 120,845	\$ 814
Highway and Bridge Maintenance	2,192,128	(34,112)	375	2,158,391	2,205,312	2,196,823	38,432
Operation and Maintenance of Equipment	564,772	0	743	565,515	629,739	575,842	10,327
Litter and Trash Collection	35,141	0	136	35,277	36,630	36,630	1,353
Other Charges	128,282	(737)	0	127,545	133,024	130,474	2,929
Employee Benefits	549,235	0	0	549,235	554,349	551,324	2,089
Capital Outlay	855,425	(499,140)	0	356,285	706,667	391,882	35,597
Total Expenditures	\$ 4,445,014	\$ (533,989)	\$ 1,254	\$ 3,912,279	\$ 4,389,050	\$ 4,003,820	\$ 91,541
Excess (Deficiency) of Revenues Over Expenditures	\$ (506,105)	\$ 533,989	\$ (1,254)	\$ 26,630	\$ (170,297)	\$ (66,147)	\$ 92,777
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 16,500	\$ 0	\$ 0	\$ 16,500	\$ 0	\$ 16,500	\$ 0
Insurance Recovery	13,924	0	0	13,924	0	14,000	(76)
Transfers In	51,534	0	0	51,534	2,000	51,563	(29)
Total Other Financing Sources (Uses)	\$ 81,958	\$ 0	\$ 0	\$ 81,958	\$ 2,000	\$ 82,063	\$ (105)
Net Change in Fund Balance	\$ (424,147)	\$ 533,989	\$ (1,254)	\$ 108,588	\$ (168,297)	\$ 15,916	\$ 92,672
Fund Balance, July 1, 2009	812,626	(533,989)	0	278,637	294,792	294,792	(16,155)
Fund Balance, June 30, 2010	\$ 388,479	\$ 0	\$ (1,254)	\$ 387,225	\$ 126,495	\$ 310,708	\$ 76,517

Exhibit F-3

Weakley County, Tennessee

Schedule of Funding Progress – Pension Plan

Primary Government and Discretely Presented Weakley County School Department

June 30, 2010

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-09	\$ 22,573	\$ 24,963	\$ 2,390	90.43	% \$ 10,240	23.34
7-1-07	21,005	22,404	1,399	93.76	10,481	13.35

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the frozen entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the frozen entry age actuarial cost method went into effect during the year of the 2007 actuarial valuation; therefore, only the two most recent valuations are presented.

Exhibit F-4

Weakley County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Discretely Presented Weakley County Municipal Electric System and  
Discretely Presented Weakley County Emergency Communications District  
June 30, 2010

(Dollar amounts in thousands)

Component Units	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
Municipal Electric System	7-1-09	\$ 5,840	\$ 10,596	\$ 4,756	55.11 %	\$ 2,546	186.82%
"	7-1-07	5,311	8,297	2,986	64.01	2,611	114.37
Emergency Communications District	7-1-09	106	181	74	58.84	58	128
"	7-1-07	87	157	70	55.41	35	200

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the frozen entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the frozen entry age actuarial cost method went into effect during the year of the 2007 actuarial valuation; therefore, only the two most recent valuations are presented.

Exhibit F-5

Weakley County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Weakley County School Department  
June 30, 2010

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date*	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-07	\$ 0	\$ 186	\$ 186	0%	\$ 4,750	4 %
"	7-1-09	0	883	883	0	3,744	24
<u>DISCRETELY PRESENTED WEAKLEY COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-07	0	3,548	3,548	0	18,049	20
"	7-1-09	0	2,624	2,624	0	18,843	14

\*Data only available for two actuarial valuations.



**WEAKLEY COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2010**

**BUDGETARY INFORMATION**

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the Weakley County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, County Mayor/Executive, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the Weakley County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with generally accepted accounting principles (GAAP), except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

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**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

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# Nonmajor Governmental Funds

## Special Revenue Funds

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Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

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Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Weakley County’s recycling center operations.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

District Attorney General Fund – The District Attorney General Fund is used to account for revenues received for the benefit of the Office of District Attorney General.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register, and sheriff.

# Capital Projects Funds

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Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county.

Highway Capital Projects Fund – The Highway Capital Projects Fund is used to account for road and bridge construction, highway equipment purchases, and county road system renovations.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for grant proceeds and local funds received for improvements at the industrial park.

Weakley County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2010

	Special Revenue Funds				
	Solid Waste / Sanitation	Drug Control	District Attorney General	Constitu- tional Officers - Fees	Total
\$	0 \$	0 \$	0 \$	2,381 \$	2,381
	29,325	107,268	107,007	0	243,600
	0	0	0	4,652	4,652
	3,749	0	343	0	4,092
	0	0	0	0	0
	0	0	0	0	0
\$	33,074 \$	107,268 \$	107,350 \$	7,033 \$	254,725

<u>ASSETS</u>	
Cash	
Equity in Pooled Cash and Investments	
Accounts Receivable	
Due from Other Governments	
Property Taxes Receivable	
Allowance for Uncollectible Property Taxes	
Total Assets	

<u>LIABILITIES AND FUND BALANCES</u>	
<u>Liabilities</u>	
Accounts Payable	
Contracts Payable	
Retainage Payable	
Due to Other Funds	
Deferred Revenue - Current Property Taxes	
Deferred Revenue - Delinquent Property Taxes	
Total Liabilities	
\$	4,025 \$
\$	4,025 \$

<u>Fund Balances</u>	
Unreserved	
Total Fund Balances	
\$	29,049 \$
\$	29,049 \$

Total Liabilities and Fund Balances	
\$	33,074 \$
\$	33,074 \$

(Continued)

Weakley County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds (Cont.)

	Capital Projects Funds				Total Nonmajor Governmental Funds
	General Capital Projects	Highway Capital Projects	Other Capital Projects	Total	
\$	0 \$	0 \$	0 \$	0 \$	2,381
153,262	102,180	0	255,442	499,042	4,715
0	63	0	63	68,520	97,340
0	0	64,428	64,428	97,340	(4,156)
0	97,340	0	97,340	(4,156)	667,842
0	(4,156)	0	(4,156)		
\$	153,262 \$	195,427 \$	64,428 \$	413,117 \$	667,842

ASSETS	
Cash	
Equity in Pooled Cash and Investments	
Accounts Receivable	
Due from Other Governments	
Property Taxes Receivable	
Allowance for Uncollectible Property Taxes	
Total Assets	

LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts Payable	
Contracts Payable	
Retainage Payable	
Due to Other Funds	
Deferred Revenue - Current Property Taxes	
Deferred Revenue - Delinquent Property Taxes	
Total Liabilities	
Fund Balances	
Unreserved	
Total Fund Balances	
Total Liabilities and Fund Balances	

Exhibit G-2

Weakley County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2010

	Special Revenue Funds				Capital Projects Funds				Total	
	Solid Waste / Sanitation	Drug Control	District Attorney General	Total	General Capital Projects	Highway Capital Projects	Other Capital Projects	Total	Nonmajor Governmental Funds	
<u>Revenues</u>										
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 93,531	\$ 0	\$ 93,531	\$	93,531
Fines, Forfeitures, and Penalties	0	20,977	18,730	39,707	0	0	0	0	0	39,707
Charges for Current Services	5,843	0	0	5,843	0	0	0	0	0	5,843
Other Local Revenues	0	270	0	270	0	0	0	0	0	270
State of Tennessee	13,957	0	0	13,957	0	0	0	0	0	13,957
Federal Government	0	0	0	0	0	0	464,040	464,040	464,040	464,040
Other Governments and Citizens Groups	0	0	0	0	0	0	128,265	128,265	128,265	128,265
Total Revenues	\$ 19,800	\$ 21,247	\$ 18,730	\$ 59,777	\$ 0	\$ 93,531	\$ 592,305	\$ 685,836	\$	745,613
<u>Expenditures</u>										
Current:										
Administration of Justice	\$ 0	\$ 0	\$ 10,765	\$ 10,765	\$ 0	\$ 0	\$ 0	\$ 0	\$	10,765
Public Safety	0	60,643	0	60,643	0	0	0	0	0	60,643
Public Health and Welfare	26,898	0	0	26,898	0	0	0	0	0	26,898
Other Operations	731	0	0	731	0	0	0	0	0	731
Capital Projects	0	0	0	0	179,261	39,920	592,705	811,886	811,886	811,886
Total Expenditures	\$ 27,629	\$ 60,643	\$ 10,765	\$ 99,037	\$ 179,261	\$ 39,920	\$ 592,705	\$ 811,886	\$	910,923
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,829)	\$ (39,396)	\$ 7,965	\$ (39,260)	\$ (179,261)	\$ 53,611	\$ (400)	\$ (126,050)	\$	(165,310)
<u>Other Financing Sources (Uses)</u>										
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,441	\$ 0	\$ 6,441	\$	6,441
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,441	\$ 0	\$ 6,441	\$	6,441
Net Change in Fund Balances	\$ (7,829)	\$ (39,396)	\$ 7,965	\$ (39,260)	\$ (179,261)	\$ 60,052	\$ (400)	\$ (119,609)	\$	(158,869)
Fund Balance, July 1, 2009	36,878	146,664	99,385	282,927	332,523	42,514	400	375,437	658,364	658,364
Fund Balance, June 30, 2010	\$ 29,049	\$ 107,268	\$ 107,350	\$ 243,667	\$ 153,262	\$ 102,566	\$ 0	\$ 255,828	\$	499,495

Exhibit G-3

Weakley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 5,843	\$ 0	\$ 5,100	\$ 743
Other Local Revenues	0	5,100	0	0
State of Tennessee	13,957	19,900	19,900	(5,943)
Total Revenues	<u>\$ 19,800</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ (5,200)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Recycling Center	\$ 26,898	\$ 30,500	\$ 30,500	\$ 3,602
<u>Other Operations</u>				
Employee Benefits	731	1,124	1,124	393
Total Expenditures	<u>\$ 27,629</u>	<u>\$ 31,624</u>	<u>\$ 31,624</u>	<u>\$ 3,995</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (7,829)</u>	<u>\$ (6,624)</u>	<u>\$ (6,624)</u>	<u>\$ (1,205)</u>
Net Change in Fund Balance	\$ (7,829)	\$ (6,624)	\$ (6,624)	\$ (1,205)
Fund Balance, July 1, 2009	<u>36,878</u>	<u>32,888</u>	<u>32,888</u>	<u>3,990</u>
Fund Balance, June 30, 2010	<u><u>\$ 29,049</u></u>	<u><u>\$ 26,264</u></u>	<u><u>\$ 26,264</u></u>	<u><u>\$ 2,785</u></u>



## Exhibit G-4

Weakley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Drug Control Fund  
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 20,977	\$ 32,400	\$ 32,400	\$ (11,423)
Other Local Revenues	270	500	500	(230)
Total Revenues	<u>\$ 21,247</u>	<u>\$ 32,900</u>	<u>\$ 32,900</u>	<u>\$ (11,653)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 60,643	\$ 81,830	\$ 81,830	\$ 21,187
Total Expenditures	<u>\$ 60,643</u>	<u>\$ 81,830</u>	<u>\$ 81,830</u>	<u>\$ 21,187</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (39,396)</u>	<u>\$ (48,930)</u>	<u>\$ (48,930)</u>	<u>\$ 9,534</u>
Net Change in Fund Balance	\$ (39,396)	\$ (48,930)	\$ (48,930)	\$ 9,534
Fund Balance, July 1, 2009	<u>146,664</u>	<u>146,265</u>	<u>146,265</u>	<u>399</u>
Fund Balance, June 30, 2010	<u><u>\$ 107,268</u></u>	<u><u>\$ 97,335</u></u>	<u><u>\$ 97,335</u></u>	<u><u>\$ 9,933</u></u>

## Exhibit G-5

Weakley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Highway Capital Projects Fund  
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 93,531	\$ 100,458	\$ 93,900	\$ (369)
Total Revenues	\$ 93,531	\$ 100,458	\$ 93,900	\$ (369)
<u>Expenditures</u>				
<u>Highways</u>				
Other Charges	\$ 0	\$ 2,000	\$ 0	\$ 0
Capital Outlay	0	101,000	1,000	1,000
<u>Capital Projects</u>				
Highway and Street Capital Projects	39,920	0	102,000	62,080
Total Expenditures	\$ 39,920	\$ 103,000	\$ 103,000	\$ 63,080
Excess (Deficiency) of Revenues Over Expenditures	\$ 53,611	\$ (2,542)	\$ (9,100)	\$ 62,711
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 6,441	\$ 0	\$ 6,558	\$ (117)
Total Other Financing Sources (Uses)	\$ 6,441	\$ 0	\$ 6,558	\$ (117)
Net Change in Fund Balance	\$ 60,052	\$ (2,542)	\$ (2,542)	\$ 62,594
Fund Balance, July 1, 2009	42,514	42,968	42,968	(454)
Fund Balance, June 30, 2010	\$ 102,566	\$ 40,426	\$ 40,426	\$ 62,140

# **Major Governmental Fund**

## **General Debt Service Fund**

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The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

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## Exhibit H

Weakley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,757,492	\$ 3,302,125	\$ 2,772,764	\$ (15,272)
Other Local Revenues	205,686	310,000	312,429	(106,743)
State of Tennessee	382,523	350,000	382,523	0
Other Governments and Citizens Groups	983,870	1,055,616	983,870	0
Total Revenues	\$ 4,329,571	\$ 5,017,741	\$ 4,451,586	\$ (122,015)
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 527,979	\$ 460,679	\$ 531,308	\$ 3,329
Highways and Streets	207,000	270,000	207,000	0
Education	3,181,496	3,181,513	3,181,530	34
<u>Interest on Debt</u>				
General Government	51,549	286,160	51,552	3
Highways and Streets	12,429	31,393	12,429	0
Education	461,826	810,801	462,242	416
<u>Other Debt Service</u>				
General Government	76,257	65,500	79,728	3,471
Education	47,471	9,500	47,471	0
<u>Capital Projects</u>				
Public Health and Welfare Projects	0	65,046	0	0
Public Utility Projects	0	384,964	0	0
Total Expenditures	\$ 4,566,007	\$ 5,565,556	\$ 4,573,260	\$ 7,253
Excess (Deficiency) of Revenues Over Expenditures	\$ (236,436)	\$ (547,815)	\$ (121,674)	\$ (114,762)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 184,103	\$ 0	\$ 184,103	\$ 0
Total Other Financing Sources (Uses)	\$ 184,103	\$ 0	\$ 184,103	\$ 0
Net Change in Fund Balance	\$ (52,333)	\$ (547,815)	\$ 62,429	\$ (114,762)
Fund Balance, July 1, 2009	4,559,358	4,597,388	4,597,388	(38,030)
Fund Balance, June 30, 2010	\$ 4,507,025	\$ 4,049,573	\$ 4,659,817	\$ (152,792)

# Fiduciary Funds

---

Agency Funds are used to account for assets held by the county as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

---

Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

Watershed District Fund – The Watershed District Fund is used to account for acreage assessments collected on drainage district properties located in the county. These funds are held in trust for the benefit of the Watershed District.

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for transactions of the Judicial District Drug Task Force, a joint venture of the various law enforcement agencies of the Twenty-seventh Judicial District.

Exhibit I-1

Weakley County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
For the Year Ended June 30, 2010

	Agency Funds				
	Cities -	Watershed	Constitu-	Judicial	
	Sales	District	tional	District	
	Tax		Officers -	Drug	Total
			Agency		
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 1,029,686	\$ 3,795	\$ 1,033,481
Equity in Pooled Cash and Investments	0	10,065	0	428,552	438,617
Due from Other Governments	447,258	0	0	15,801	463,059
Total Assets	\$ 447,258	\$ 10,065	\$ 1,029,686	\$ 448,148	\$ 1,935,157
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 447,258	\$ 10,065	\$ 0	\$ 0	\$ 457,323
Due to Litigants, Heirs, and Others	0	0	1,029,686	0	1,029,686
Due to Joint Ventures	0	0	0	448,148	448,148
Total Liabilities	\$ 447,258	\$ 10,065	\$ 1,029,686	\$ 448,148	\$ 1,935,157

Exhibit I-2

Weakley County, Tennessee

Combining Statement of Changes in Assets and Liabilities - All Agency Funds

For the Year Ended June 30, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 2,251,920	\$ 2,251,920	\$ 0
Due from Other Governments	446,996	447,258	446,996	447,258
Total Assets	\$ 446,996	\$ 2,699,178	\$ 2,698,916	\$ 447,258
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 446,996	\$ 2,699,178	\$ 2,698,916	\$ 447,258
Total Liabilities	\$ 446,996	\$ 2,699,178	\$ 2,698,916	\$ 447,258
<u>Watershed District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 9,491	\$ 582	\$ 8	\$ 10,065
Total Assets	\$ 9,491	\$ 582	\$ 8	\$ 10,065
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 9,491	\$ 582	\$ 8	\$ 10,065
Total Liabilities	\$ 9,491	\$ 582	\$ 8	\$ 10,065
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,148,485	\$ 6,368,624	\$ 6,487,423	\$ 1,029,686
Total Assets	\$ 1,148,485	\$ 6,368,624	\$ 6,487,423	\$ 1,029,686
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,148,485	\$ 6,368,624	\$ 6,487,423	\$ 1,029,686
Total Liabilities	\$ 1,148,485	\$ 6,368,624	\$ 6,487,423	\$ 1,029,686

(Continued)

## Exhibit I-2

Weakley County, TennesseeCombining Statement of Changes in Assets and Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 6,085	\$ 0	\$ 2,290	\$ 3,795
Equity in Pooled Cash and Investments	276,866	330,290	178,604	428,552
Due from Other Governments	19,010	15,801	19,010	15,801
Total Assets	<u>\$ 301,961</u>	<u>\$ 346,091</u>	<u>\$ 199,904</u>	<u>\$ 448,148</u>
<u>Liabilities</u>				
Due to Joint Ventures	<u>\$ 301,961</u>	<u>\$ 346,091</u>	<u>\$ 199,904</u>	<u>\$ 448,148</u>
Total Liabilities	<u>\$ 301,961</u>	<u>\$ 346,091</u>	<u>\$ 199,904</u>	<u>\$ 448,148</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,154,570	\$ 6,368,624	\$ 6,489,713	\$ 1,033,481
Equity in Pooled Cash and Investments	286,357	2,582,792	2,430,532	438,617
Due from Other Governments	466,006	463,059	466,006	463,059
Total Assets	<u>\$ 1,906,933</u>	<u>\$ 9,414,475</u>	<u>\$ 9,386,251</u>	<u>\$ 1,935,157</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 456,487	\$ 2,699,760	\$ 2,698,924	\$ 457,323
Due to Litigants, Heirs, and Others	1,148,485	6,368,624	6,487,423	1,029,686
Due to Joint Ventures	301,961	346,091	199,904	448,148
Total Liabilities	<u>\$ 1,906,933</u>	<u>\$ 9,414,475</u>	<u>\$ 9,386,251</u>	<u>\$ 1,935,157</u>



# Weakley County School Department

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This section presents combining and individual fund financial statements for the Weakley County School Department, a discretely presented component unit. The School Department used a General Fund, two Special Revenue Funds, and a Capital Projects Fund.

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General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the School Department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the School Department.

Exhibit J-1

Weakley County, Tennessee  
Statement of Activities  
Discretely Presented Weakley County School Department  
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 22,786,521	\$ 102,367	\$ 3,513,202	0	\$ (19,170,952)
Support Services	11,519,473	122,245	469,912	0	(10,927,316)
Operation of Non-Instructional Services	3,182,889	900,114	2,106,901	8,000	(167,874)
Other Debt Service	513,514	0	0	0	(513,514)
Total Governmental Activities	\$ 38,002,398	\$ 1,124,726	\$ 6,090,015	\$ 8,000	\$ (30,779,657)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,422,699
Local Option Sales Taxes					3,018,731
Wheel Tax					130,425
Other Local Taxes					2,785
Grants and Contributions Not Restricted to Specific Programs					22,626,097
Miscellaneous					80,517
Total General Revenues					\$ 29,281,254
Change in Net Assets					\$ (1,498,403)
Net Assets, July 1, 2009					32,743,241
Net Assets, June 30, 2010					\$ 31,244,838

## Exhibit J-2

Weakley County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Weakley County School Department  
June 30, 2010

	Major Funds		Nonmajor Funds	Total
	General Purpose School	School Federal Projects	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 2,509,706	\$ 35,857	\$ 947,442	\$ 3,493,005
Accounts Receivable	5,419	214	1,131	6,764
Due from Other Governments	1,138,865	10,000	12,775	1,161,640
Due from Other Funds	4,469	0	0	4,469
Property Taxes Receivable	3,601,583	0	0	3,601,583
Allowance for Uncollectible Property Taxes	(153,808)	0	0	(153,808)
Total Assets	\$ 7,106,234	\$ 46,071	\$ 961,348	\$ 8,113,653
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 16	\$ 0	\$ 0	\$ 16
Deferred Revenue - Current Property Taxes	3,340,345	0	0	3,340,345
Deferred Revenue - Delinquent Property Taxes	95,470	0	0	95,470
Other Deferred Revenues	304,400	0	0	304,400
Total Liabilities	\$ 3,740,231	\$ 0	\$ 0	\$ 3,740,231
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 733,636	\$ 38,502	\$ 2,885	\$ 775,023
Other Local Education Reserves	8,045	0	0	8,045
Reserved for Driver Education	32,686	0	0	32,686
Reserved for Career Ladder - Extended Contract	12,443	0	0	12,443
Reserved for Career Ladder Program	4,958	0	0	4,958
Reserved for Basic Education Program	15,819	0	0	15,819
Reserved for Title I Grants to Local Education Agencies	0	5,584	0	5,584
Reserved for Special Education - Grants to States	0	997	0	997
Other Federal Reserves	0	988	0	988
Unreserved, Reported In:				
General Fund	2,558,416	0	0	2,558,416
Special Revenue Funds	0	0	764,643	764,643
Capital Projects Funds	0	0	193,820	193,820
Total Fund Balances	\$ 3,366,003	\$ 46,071	\$ 961,348	\$ 4,373,422
Total Liabilities and Fund Balances	\$ 7,106,234	\$ 46,071	\$ 961,348	\$ 8,113,653

Exhibit J-3

Weakley County, Tennessee

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets

Discretely Presented Weakley County School Department

June 30, 2010

Amounts reported for governmental activities in the  
statement of net assets (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	4,373,422
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,935,850	
Add: buildings and improvements net of accumulated depreciation		23,550,164	
Add: other capital assets net of accumulated depreciation		<u>1,483,494</u>	26,969,508
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			399,870
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: compensated absences payable	\$	(31,344)	
Less: other postemployment benefits liability		<u>(466,618)</u>	<u>(497,962)</u>
Net assets of governmental activities (Exhibit A)			<u>\$ 31,244,838</u>

## Exhibit J-4

Weakley County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Weakley County School Department  
For the Year Ended June 30, 2010

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>				
Local Taxes	\$ 6,801,796	\$ 0	\$ 0	\$ 6,801,796
Licenses and Permits	1,966	0	0	1,966
Charges for Current Services	222,106	0	902,620	1,124,726
Other Local Revenues	87,434	0	13,694	101,128
State of Tennessee	22,837,113	0	32,125	22,869,238
Federal Government	157,629	3,915,750	1,505,754	5,579,133
Other Governments and Citizens Groups	11,547	0	0	11,547
Total Revenues	<u>\$ 30,119,591</u>	<u>\$ 3,915,750</u>	<u>\$ 2,454,193</u>	<u>\$ 36,489,534</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 18,023,465	\$ 3,237,869	\$ 0	\$ 21,261,334
Support Services	10,378,690	691,096	0	11,069,786
Operation of Non-Instructional Services	659,344	0	2,370,784	3,030,128
Capital Outlay	103,897	0	0	103,897
Debt Service:				
Other Debt Service	513,514	0	0	513,514
Total Expenditures	<u>\$ 29,678,910</u>	<u>\$ 3,928,965</u>	<u>\$ 2,370,784</u>	<u>\$ 35,978,659</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 440,681</u>	<u>\$ (13,215)</u>	<u>\$ 83,409</u>	<u>\$ 510,875</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 4,469	\$ 0	\$ 0	\$ 4,469
Transfers Out	0	(4,469)	0	(4,469)
Total Other Financing Sources (Uses)	<u>\$ 4,469</u>	<u>\$ (4,469)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 445,150	\$ (17,684)	\$ 83,409	\$ 510,875
Fund Balance, July 1, 2009	<u>2,920,853</u>	<u>63,755</u>	<u>877,939</u>	<u>3,862,547</u>
Fund Balance, June 30, 2010	<u>\$ 3,366,003</u>	<u>\$ 46,071</u>	<u>\$ 961,348</u>	<u>\$ 4,373,422</u>

Exhibit J-5

Weakley County, Tennessee

Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities

Discretely Presented Weakley County School Department

For the Year Ended June 30, 2010

Amounts reported for governmental activities in the  
statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit J-4)		\$	510,875
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	349,507	
Less: current-year depreciation expense		<u>(2,358,301)</u>	(2,008,794)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2010	\$	399,870	
Less: deferred delinquent property taxes and other deferred June 30, 2009		<u>(385,409)</u>	14,461
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
Change in compensated absences payable	\$	6,406	
Change in other postemployment benefits liability		<u>(21,351)</u>	<u>(14,945)</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$ (1,498,403)</u>

Exhibit J-6

Weakley County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Weakley County School Department  
June 30, 2010

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Education Capital Projects	
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 753,622	\$ 193,820	\$ 947,442
Accounts Receivable	1,131	0	1,131
Due from Other Governments	12,775	0	12,775
Total Assets	\$ 767,528	\$ 193,820	\$ 961,348
<u>FUND BALANCES</u>			
Reserved for Encumbrances	\$ 2,885	\$ 0	\$ 2,885
Unreserved	764,643	193,820	958,463
Total Fund Balances	\$ 767,528	\$ 193,820	\$ 961,348

## Exhibit J-7

Weakley County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Weakley County School Department  
For the Year Ended June 30, 2010

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Education Capital Projects	
<u>Revenues</u>			
Charges for Current Services	\$ 902,620	\$ 0	\$ 902,620
Other Local Revenues	13,694	0	13,694
State of Tennessee	32,125	0	32,125
Federal Government	1,505,754	0	1,505,754
Total Revenues	<u>\$ 2,454,193</u>	<u>\$ 0</u>	<u>\$ 2,454,193</u>
<u>Expenditures</u>			
Current:			
Operation of Non-Instructional Services	\$ 2,370,784	\$ 0	\$ 2,370,784
Total Expenditures	<u>\$ 2,370,784</u>	<u>\$ 0</u>	<u>\$ 2,370,784</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 83,409</u>	<u>\$ 0</u>	<u>\$ 83,409</u>
Net Change in Fund Balances	\$ 83,409	\$ 0	\$ 83,409
Fund Balance, July 1, 2009	684,119	193,820	877,939
Fund Balance, June 30, 2010	<u><u>\$ 767,528</u></u>	<u><u>\$ 193,820</u></u>	<u><u>\$ 961,348</u></u>



Exhibit J-8

Weakley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Weakley County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,801,796	\$ 0	\$ 0	\$ 6,801,796	\$ 6,813,642	\$ 6,829,983	\$ (28,187)
Licenses and Permits	1,966	0	0	1,966	2,350	2,350	(384)
Charges for Current Services	222,106	0	0	222,106	244,055	250,655	(28,549)
Other Local Revenues	87,434	0	0	87,434	118,756	123,907	(36,473)
State of Tennessee	22,837,113	0	0	22,837,113	22,594,096	22,901,262	(64,149)
Federal Government	157,629	0	0	157,629	204,707	229,295	(71,666)
Other Governments and Citizens Groups	11,547	0	0	11,547	13,272	13,272	(1,725)
Total Revenues	\$ 30,119,591	\$ 0	\$ 0	\$ 30,119,591	\$ 29,990,878	\$ 30,350,724	\$ (231,133)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 14,815,772	\$ (77,362)	\$ 247,718	\$ 14,986,128	\$ 15,228,760	\$ 15,223,065	\$ 236,937
Special Education Program	1,844,264	(3,891)	70,497	1,910,870	1,905,972	1,919,912	9,042
Vocational Education Program	1,196,070	0	0	1,196,070	1,188,023	1,232,130	36,060
Student Body Education Program	11,658	0	0	11,658	11,660	11,660	2
Adult Education Program	155,701	0	0	155,701	192,681	196,729	41,028
<u>Support Services</u>							
Attendance	100,788	0	0	100,788	100,860	112,756	11,968
Health Services	253,393	0	0	253,393	243,683	254,540	1,147
Other Student Support	690,065	0	3,446	693,511	641,919	750,350	56,839
Regular Instruction Program	1,244,635	(4,000)	767	1,241,402	1,280,046	1,281,046	39,644
Alternative Instruction Program	85,575	0	0	85,575	84,922	88,572	2,997
Special Education Program	309,592	0	16,934	326,526	322,671	329,671	3,145
Vocational Education Program	88,023	0	0	88,023	86,615	99,796	11,773
Other Programs	271,508	0	0	271,508	113,654	275,049	3,541
Board of Education	530,850	0	0	530,850	479,649	569,170	38,320

(Continued)

Weakley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Weakley County School Department  
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Director of Schools	\$ 256,945	\$ 0	\$ 0	\$ 256,945	\$ 273,527	\$ 274,996	\$ 18,051
Office of the Principal	1,292,526	0	989	1,293,515	1,302,686	1,304,886	11,371
Operation of Plant	2,430,393	(26,348)	2,508	2,406,553	2,549,174	2,449,174	42,621
Maintenance of Plant	1,761,695	(238,493)	1,834	1,525,036	942,546	1,678,017	152,981
Transportation	1,062,702	(661)	89,090	1,151,131	1,328,411	1,310,461	159,330
Central and Other	0	0	0	0	2,005	2,005	2,005
<u>Operation of Non-Instructional Services</u>							
Community Services	106,415	0	0	106,415	130,401	130,401	23,986
Early Childhood Education	552,929	0	11,488	564,417	566,754	566,754	2,337
<u>Capital Outlay</u>							
Regular Capital Outlay	103,897	(77,929)	288,365	314,333	511,617	511,617	197,284
<u>Other Debt Service</u>							
Education	513,514	0	0	513,514	513,514	513,514	0
Total Expenditures	\$ 29,678,910	\$ (428,684)	\$ 733,636	\$ 29,983,862	\$ 30,001,750	\$ 31,086,271	\$ 1,102,409
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 440,681	\$ 428,684	\$ (733,636)	\$ 135,729	\$ (10,872)	\$ (735,547)	\$ 871,276
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1	\$ 15,125	\$ (15,125)
Transfers In	4,469	0	0	4,469	7,578	7,578	(3,109)
Total Other Financing Sources (Uses)	\$ 4,469	\$ 0	\$ 0	\$ 4,469	\$ 7,579	\$ 22,703	\$ (18,234)
<u>Net Change in Fund Balance</u>	\$ 445,150	\$ 428,684	\$ (733,636)	\$ 140,198	\$ (3,293)	\$ (712,844)	\$ 853,042
<u>Fund Balance, July 1, 2009</u>	2,920,853	(428,684)	0	2,492,169	2,326,256	2,326,256	165,913
<u>Fund Balance, June 30, 2010</u>	\$ 3,366,003	\$ 0	\$ (733,636)	\$ 2,632,367	\$ 2,322,963	\$ 1,613,412	\$ 1,018,955

Exhibit J-9

Weakley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Weakley County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>							
Other Local Revenues	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	5,664 \$	(5,664)
Federal Government	3,915,750	0	0	3,915,750	3,688,812	4,892,641	(976,891)
Total Revenues	\$ 3,915,750 \$	0 \$	0 \$	\$ 3,915,750 \$	\$ 3,688,812 \$	\$ 4,898,305 \$	\$ (982,555)
<u>Expenditures</u>							
Instruction							
Regular Instruction Program	\$ 2,027,621 \$	0 \$	0 \$	2,027,621 \$	2,173,696 \$	2,179,167 \$	151,546
Special Education Program	1,037,401	(700)	38,502	1,075,203	811,253	1,559,822	484,619
Vocational Education Program	172,847	0	0	172,847	164,387	173,388	541
Support Services							
Health Services	68,666	0	0	68,666	55,943	76,733	8,067
Other Student Support	87,607	0	0	87,607	105,182	128,698	41,091
Regular Instruction Program	147,715	0	0	147,715	235,411	265,196	117,481
Special Education Program	29,471	0	0	29,471	22,495	119,658	90,187
Transportation	357,637	0	0	357,637	128,116	454,230	96,593
Total Expenditures	\$ 3,928,965 \$	(700) \$	38,502 \$	\$ 3,966,767 \$	\$ 3,696,483 \$	\$ 4,956,892 \$	\$ 990,125
Excess (Deficiency) of Revenues Over Expenditures	\$ (13,215) \$	700 \$	(38,502) \$	(51,017) \$	(7,671) \$	(58,587) \$	7,570
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0 \$	0 \$	0 \$	0 \$	143,220 \$	139,349 \$	(139,349)
Transfers Out	(4,469)	0	0	(4,469)	(135,049)	(127,694)	123,225
Total Other Financing Sources (Uses)	\$ (4,469) \$	0 \$	0 \$	(4,469) \$	8,171 \$	11,655 \$	(16,124)
Net Change in Fund Balance	\$ (17,684) \$	700 \$	(38,502) \$	(55,486) \$	500 \$	(46,932) \$	(8,554)
Fund Balance, July 1, 2009	63,755	(700)	0	63,055	(500)	46,932	16,123
Fund Balance, June 30, 2010	\$ 46,071 \$	0 \$	(38,502) \$	7,569 \$	0 \$	0 \$	7,569

Exhibit J-10

Weakley County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Weakley County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>							
Charges for Current Services	\$ 902,620	\$ 0	\$ 0	\$ 902,620	\$ 992,000	\$ 992,000	\$ (89,380)
Other Local Revenues	13,694	0	0	13,694	12,050	13,050	644
State of Tennessee	32,125	0	0	32,125	27,294	33,044	(919)
Federal Government	1,505,754	0	0	1,505,754	1,255,450	1,441,910	63,844
Total Revenues	\$ 2,454,193	\$ 0	\$ 0	\$ 2,454,193	\$ 2,286,794	\$ 2,480,004	\$ (25,811)
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 2,370,784	\$ (10,725)	\$ 2,885	\$ 2,362,944	\$ 2,371,840	\$ 2,380,704	\$ 17,760
Total Expenditures	\$ 2,370,784	\$ (10,725)	\$ 2,885	\$ 2,362,944	\$ 2,371,840	\$ 2,380,704	\$ 17,760
Excess (Deficiency) of Revenues Over Expenditures	\$ 83,409	\$ 10,725	\$ (2,885)	\$ 91,249	\$ (85,046)	\$ 99,300	\$ (8,051)
Net Change in Fund Balance	\$ 83,409	\$ 10,725	\$ (2,885)	\$ 91,249	\$ (85,046)	\$ 99,300	\$ (8,051)
Fund Balance, July 1, 2009	684,119	(10,725)	0	673,394	684,119	684,119	(10,725)
Fund Balance, June 30, 2010	\$ 767,528	\$ 0	\$ (2,885)	\$ 764,643	\$ 599,073	\$ 783,419	\$ (18,776)

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## MISCELLANEOUS SCHEDULES

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Exhibit K-1

Weakley County, Tennessee  
Schedule of Changes in Long-term Notes, Other Loans, and Bonds  
For the Year Ended June 30, 2010

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Matured During Period	Outstanding 6-30-10
<u>NOTES PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Asbestos Removal - School Buildings	\$ 95,543	0	% 11-30-1992	5-30-10	\$ 5,291	\$ 5,291	\$ 0
Asbestos Removal - School Buildings	183,697	0	11-30-1993	11-30-12	35,723	10,205	25,518
Nursing Home Projects	300,000	4.4	10-7-05	4-1-10	78,000	78,000	0
Highway Capital Projects	1,000,000	3.89	9-12-05	9-1-10	423,000	207,000	216,000
Election Building	800,000	4	2-24-09	2-24-12	777,927	66,979	710,948
Total Notes Payable					\$ 1,319,941	\$ 367,475	\$ 952,466
<u>OTHER LOANS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Detention Center and Law Enforcement Complex	7,400,000	Variable	12-31-1997	5-25-18	\$ 4,264,000	\$ 383,000	\$ 3,881,000
School Construction and Renovation	10,339,705	Variable	2-25-03	5-25-23	7,908,705	454,000	7,454,705
School Refunding - Series 2008	5,870,000	Variable	7-18-08	5-25-13	4,702,000	1,102,000	3,600,000
Total Other Loans Payable					\$ 16,874,705	\$ 1,939,000	\$ 14,935,705
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
School Refunding - Series 2003	17,125,000	2 to 4	12-1-03	5-1-16	\$ 11,030,000	\$ 1,610,000	\$ 9,420,000
Total Bonds Payable					\$ 11,030,000	\$ 1,610,000	\$ 9,420,000

Exhibit K-2

Weakley County, Tennessee  
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 297,085	\$ 31,340	\$ 328,425
2012	650,273	16,618	666,891
2013	5,108	0	5,108
Total	\$ 952,466	\$ 47,958	\$ 1,000,424

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2011	\$ 2,073,000	\$ 41,338	\$ 64,848	\$ 2,179,186
2012	2,110,000	35,845	57,286	2,203,131
2013	2,148,000	30,228	49,560	2,227,788
2014	989,000	24,485	41,341	1,054,826
2015	1,031,000	21,365	36,866	1,089,231
2016	1,075,000	18,104	32,205	1,125,309
2017	1,122,000	14,696	27,350	1,164,046
2018	1,169,000	11,129	22,288	1,202,417
2019	613,000	7,403	16,676	637,079
2020	634,000	5,993	13,611	653,604
2021	655,000	4,535	10,441	669,976
2022	677,000	3,028	7,166	687,194
2023	639,705	1,471	3,781	644,957
Total	\$ 14,935,705	\$ 219,620	\$ 383,419	\$ 15,538,744

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 995,000	\$ 362,059	\$ 1,357,059
2012	1,100,000	322,258	1,422,258
2013	1,220,000	283,758	1,503,758
2014	1,745,000	239,838	1,984,838
2015	1,860,000	174,400	2,034,400
2016	2,500,000	100,000	2,600,000
Total	\$ 9,420,000	\$ 1,482,313	\$ 10,902,313

Exhibit K-3

Weakley County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Weakley County School Department  
For the Year Ended June 30, 2010

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Municipal Electric System	General	Payments in-lieu-of taxes	\$ 183,585
"	Highway/Public Works	"	51,534
"	General Debt Service	"	184,103
"	Highway Capital Projects	"	6,441
Total Transfers Primary Government			<u>\$ 425,663</u>
<u>DISCRETELY PRESENTED WEAKLEY</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 4,469
Total Transfers Discretely Presented Weakley County School Department			<u>\$ 4,469</u>



Exhibit K-4

Weakley County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Weakley County School Department  
For the Year Ended June 30, 2010

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 71,322	\$ 50,000	Auto Owners Insurance Company
Highway Supervisor	Section 8-24-102, <u>TCA</u>	67,927	100,000	"
Director of Schools	State Board of Education and Weakley County Board of Education			
Trustee	Section 8-24-102, <u>TCA</u>	92,600 (1)	50,000	"
Assessor of Property	Section 8-24-102, <u>TCA</u>	61,751	959,200	"
Director of Finance	Section 8-24-102, <u>TCA</u>	61,751 (2)	10,000	Nationwide Mutual Insurance Company
County Clerk	Weakley County Commission	72,010 (3)	50,000	Auto Owners Insurance Company
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	61,751	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u>	61,751	50,000	"
Register	Section 8-24-102, <u>TCA</u>	61,751	85,000	RLI Insurance Company
Sheriff	Section 8-24-102, <u>TCA</u>	67,927 (4)	25,000	Auto Owners Insurance Company
Employee Blanket Bonds:				
County Mayor and Highway Supervisor:				
All Employees			150,000	Local Government Property and Casualty Fund
Director of Schools:				
All Employees			150,000	Tennessee Risk Management Trust

- (1) Includes a chief executive officer training supplement of \$1,000. Does not include a travel allowance of \$450 per month.
- (2) Does not include a certified assessor supplement of \$750.
- (3) Includes \$3,300 for serving as recording secretary for the Health, Education, and Welfare Committee.
- (4) Does not include a law enforcement training supplement of \$600.

Exhibit K-5

Weakley County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2010

	Special Revenue Funds										Debt Service		Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Highway / Public Works	Fund		Capital Projects		Other						
						General	Debt Service	Highway Capital Projects	Capital Projects							
<u>Local Taxes</u>																
<u>County Property Taxes</u>																
Current Property Tax	\$ 2,490,180	\$ 0	\$ 0	\$ 0	\$ 699,013	\$ 2,497,206	\$ 87,364	\$ 0	\$ 5,773,763							
Trustee's Collections - Prior Year	99,891	0	0	0	27,601	95,481	3,450	0	226,423							
Trustee's Collections - Bankruptcy	1,666	0	0	0	458	1,547	59	0	3,730							
Circuit/Clerk & Master Collections - Prior Years	55,505	0	0	0	15,312	52,789	1,914	0	125,520							
Interest and Penalty	18,888	0	0	0	5,222	18,143	654	0	42,907							
Payments in-Lieu-of Taxes - T.V.A.	919	0	0	0	0	0	0	0	919							
Payments in-Lieu-of Taxes - Other	441,681	0	0	0	0	0	0	0	441,681							
<u>County Local Option Taxes</u>																
Local Option Sales Tax	220,491	0	0	0	0	48,998	0	0	269,489							
Hotel/Motel Tax	88,247	0	0	0	0	0	0	0	88,247							
Wheel Tax	0	0	0	0	912,976	0	0	0	912,976							
Litigation Tax - General	136,980	0	0	0	0	40,749	0	0	177,729							
Litigation Tax - Special Purpose	5,244	0	0	0	0	0	0	0	5,244							
Business Tax	188,846	0	0	0	0	0	0	0	188,846							
Mineral Severance Tax	0	0	0	0	89,957	0	0	0	89,957							
<u>Statutory Local Taxes</u>																
Bank Excise Tax	2,572	0	0	0	722	2,579	90	0	5,963							
Wholesale Beer Tax	50,538	0	0	0	0	0	0	0	50,538							
Interstate Telecommunications Tax	1,420	0	0	0	0	0	0	0	1,420							
Total Local Taxes	\$ 3,803,068	\$ 0	\$ 0	\$ 0	\$ 1,751,261	\$ 2,757,492	\$ 93,531	\$ 0	\$ 8,405,352							
<u>Licenses and Permits</u>																
<u>Licenses</u>																
Cable TV Franchise	\$ 24,355	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 24,355							
<u>Permits</u>																
Beer Permits	950	0	0	0	0	0	0	0	950							
Building Permits	0	0	0	0	1,975	0	0	0	1,975							
Total Licenses and Permits	\$ 25,305	\$ 0	\$ 0	\$ 0	\$ 1,975	\$ 0	\$ 0	\$ 0	\$ 27,280							

(Continued)

Exhibit K-5

Weakley County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	General	Special Revenue Funds				Debt Service		Capital Projects Funds			Total
		Solid Waste / Sanitation	Drug Control	District Attorney General	Highway / Public Works	Fund		Highway Capital Projects	Other Capital Projects		
						General	Debt Service				
<u>Fines, Forfeitures, and Penalties</u>											
<u>Circuit Court</u>											
Fines	\$ 3,705	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,705
Officers Costs	4,676	0	0	0	0	0	0	0	0	0	4,676
Drug Control Fines	0	0	3,940	0	0	0	0	0	0	0	3,940
Drug Court Fees	959	0	0	0	0	0	0	0	0	0	959
Jail Fees	5,715	0	0	0	0	0	0	0	0	0	5,715
District Attorney General Fees	0	0	0	1,040	0	0	0	0	0	0	1,040
DUI Treatment Fines	95	0	0	0	0	0	0	0	0	0	95
Data Entry Fee - Circuit Court	354	0	0	0	0	0	0	0	0	0	354
Courtroom Security Fee	23	0	0	0	0	0	0	0	0	0	23
<u>General Sessions Court</u>											
Fines	32,678	0	0	0	0	0	0	0	0	0	32,678
Officers Costs	23,070	0	0	0	0	0	0	0	0	0	23,070
Drug Control Fines	0	0	7,357	0	0	0	0	0	0	0	7,357
Drug Court Fees	8,798	0	0	0	0	0	0	0	0	0	8,798
Jail Fees	76,009	0	0	0	0	0	0	0	0	0	76,009
District Attorney General Fees	0	0	0	10,779	0	0	0	0	0	0	10,779
DUI Treatment Fines	9,657	0	0	0	0	0	0	0	0	0	9,657
Data Entry Fee - General Sessions Court	7,809	0	0	0	0	0	0	0	0	0	7,809
Courtroom Security Fee	439	0	0	0	0	0	0	0	0	0	439
<u>Juvenile Court</u>											
Fines	584	0	0	0	0	0	0	0	0	0	584
Officers Costs	5,646	0	0	0	0	0	0	0	0	0	5,646
Data Entry Fee - Juvenile Court	923	0	0	0	0	0	0	0	0	0	923
Courtroom Security Fee	182	0	0	0	0	0	0	0	0	0	182
<u>Chancery Court</u>											
Officers Costs	8,000	0	0	0	0	0	0	0	0	0	8,000
Data Entry Fee - Chancery Court	2,770	0	0	0	0	0	0	0	0	0	2,770
Courtroom Security Fee	11	0	0	0	0	0	0	0	0	0	11
<u>Courts in Other District Counties</u>											
District Attorney General Fees	0	0	0	6,911	0	0	0	0	0	0	6,911

(Continued)

Exhibit K-5

Weakley County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Debt Service Fund		Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Highway / Public Works	Fund		Highway Capital Projects	Other Capital Projects		
						General	Debt Service				
<u>Fines, Forfeitures, and Penalties (Cont.)</u>											
<u>Other Fines, Forfeitures, and Penalties</u>											
Proceeds from Confiscated Property	\$ 0	\$ 0	\$ 9,680	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,680
Total Fines, Forfeitures, and Penalties	\$ 192,103	\$ 0	\$ 20,977	\$ 18,730	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 231,810
<u>Charges for Current Services</u>											
<u>General Service Charges</u>											
Convenience Waste Centers Collection Charge	\$ 0	\$ 5,843	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,843
Other General Service Charges	1,295	0	0	0	0	0	0	0	0	0	1,295
Service Charges	44,523	0	0	0	0	0	0	0	0	0	44,523
<u>Fees</u>											
Greenbelt Late Application Fee	150	0	0	0	0	0	0	0	0	0	150
Telephone Commissions	9,492	0	0	0	0	0	0	0	0	0	9,492
Vending Machine Collections	57	0	0	0	0	0	0	0	0	0	57
Data Processing Fee - Register	10,466	0	0	0	0	0	0	0	0	0	10,466
Data Processing Fee - Sheriff	3,103	0	0	0	0	0	0	0	0	0	3,103
Sexual Offender Registration Fees - Sheriff	1,300	0	0	0	0	0	0	0	0	0	1,300
Data Processing Fee - County Clerk	1,676	0	0	0	0	0	0	0	0	0	1,676
<u>Other Charges for Services</u>											
Other Charges for Services	30,170	0	0	0	0	0	0	0	0	0	30,170
Total Charges for Current Services	\$ 102,232	\$ 5,843	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 108,075
<u>Other Local Revenues</u>											
<u>Recurring Items</u>											
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 203,258	\$ 0	\$ 0	\$ 0	\$ 0	\$ 203,258
Lease/Rentals	28,611	0	0	0	0	0	0	0	0	0	28,611
Sale of Materials and Supplies	272	0	0	0	8,354	0	0	0	0	0	8,626
Refund of Telecommunication and Internet Fees (E-Rate)	1,477	0	0	0	0	0	0	0	0	0	1,477
Miscellaneous Refunds	8,501	0	270	0	3,504	2,428	0	0	0	0	14,703
<u>Nonrecurring Items</u>											
Sale of Property	5,587	0	0	0	4,523	0	0	0	0	0	10,110
Contributions and Gifts	3,942	0	0	0	0	0	0	0	0	0	3,942
Total Other Local Revenues	\$ 48,390	\$ 0	\$ 270	\$ 0	\$ 16,381	\$ 205,686	\$ 0	\$ 0	\$ 0	\$ 0	\$ 270,727

(Continued)

Exhibit K-5

Weakley County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Special Revenue Funds						Debt Service Fund		Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Highway / Public Works	General	Debt Service	Capital Projects Funds				
								Highway Capital Projects	Other Capital Projects			
<u>Fees Received from County Officials</u>												
<u>Fees in-Lieu-of Salary</u>												
County Clerk	\$ 326,414	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 326,414	
Circuit Court Clerk	44,760	0	0	0	0	0	0	0	0	0	44,760	
General Sessions Court Clerk	243,582	0	0	0	0	0	0	0	0	0	243,582	
Clerk and Master	140,651	0	0	0	0	0	0	0	0	0	140,651	
Register	111,319	0	0	0	0	0	0	0	0	0	111,319	
Sheriff	13,142	0	0	0	0	0	0	0	0	0	13,142	
Trustee	369,439	0	0	0	0	0	0	0	0	0	369,439	
Total Fees Received from County Officials	\$ 1,249,307	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,249,307	
<u>State of Tennessee</u>												
<u>General Government Grants</u>												
Juvenile Services Program	\$ 221,762	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 221,762	
Aging Programs	103,903	0	0	0	0	0	0	0	0	0	103,903	
State Reappraisal Grant	9,771	0	0	0	0	0	0	0	0	0	9,771	
Solid Waste Grants	0	13,957	0	0	0	0	0	0	0	0	13,957	
<u>Public Safety Grants</u>												
Law Enforcement Training Programs	11,400	0	0	0	0	0	0	0	0	0	11,400	
<u>Health and Welfare Grants</u>												
Other Health and Welfare Grants	81,000	0	0	0	0	0	0	0	0	0	81,000	
<u>Public Works Grants</u>												
Bridge Program	0	0	0	0	16,584	0	0	0	0	0	16,584	
State Aid Program	0	0	0	0	172,252	0	0	0	0	0	172,252	
Litter Program	0	0	0	0	34,181	0	0	0	0	0	34,181	
<u>Other State Revenues</u>												
Income Tax	33,014	0	0	0	0	0	0	0	0	0	33,014	
Beer Tax	17,778	0	0	0	0	0	0	0	0	0	17,778	
Alcoholic Beverage Tax	61,601	0	0	0	0	0	0	0	0	0	61,601	
Mixed Drink Tax	932	0	0	0	0	0	0	0	0	0	932	
State Revenue Sharing - T.V.A.	382,523	0	0	0	0	0	382,523	0	0	0	765,046	
Board of Jurors	491	0	0	0	0	0	0	0	0	0	491	

(Continued)

Exhibit K-5

Weakley County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Debt Service									
	Special Revenue Funds					Fund		Capital Projects Funds		
	General	Solid Waste / Sanitation	Drug Control	District Attorney General	Highway / Public Works	General	Debt Service	Highway Capital Projects	Other Capital Projects	Total
State of Tennessee (Cont.)										
Other State Revenues (Cont.)										
Prisoner Transportation	\$ 878	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 878
Contracted Prisoner Boarding	392,000	0	0	0	0	0	0	0	0	392,000
Gasoline and Motor Fuel Tax	0	0	0	0	1,869,383	0	0	0	0	1,869,383
Petroleum Special Tax	0	0	0	0	28,024	0	0	0	0	28,024
Registrar's Salary Supplement	16,380	0	0	0	0	0	0	0	0	16,380
Other State Revenues	1,750	0	0	0	0	0	0	0	0	1,750
Total State of Tennessee	\$ 1,335,183	\$ 13,957	\$ 0	\$ 0	\$ 2,120,424	\$ 382,523	\$ 0	\$ 0	\$ 0	\$ 3,852,087
Federal Government										
Federal Through State										
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 464,040	\$ 464,040
Civil Defense Reimbursement	17,397	0	0	0	0	0	0	0	0	17,397
Disaster Relief	0	0	0	0	44,220	0	0	0	0	44,220
Homeland Security Grants	88,387	0	0	0	0	0	0	0	0	88,387
Law Enforcement Grants	5,000	0	0	0	0	0	0	0	0	5,000
ARRA Grant No. 1	20,885	0	0	0	0	0	0	0	0	20,885
ARRA Grant No. 2	22,520	0	0	0	0	0	0	0	0	22,520
ARRA Grant No. 3	25,320	0	0	0	0	0	0	0	0	25,320
ARRA Grant No. 4	3,499	0	0	0	0	0	0	0	0	3,499
Direct Federal Revenue	1,600	0	0	0	0	0	0	0	0	1,600
Other Direct Federal Revenue	184,608	0	0	0	0	0	0	0	0	184,608
Total Federal Government	\$ 184,608	\$ 0	\$ 0	\$ 0	\$ 44,220	\$ 0	\$ 0	\$ 0	\$ 464,040	\$ 692,868
Other Governments and Citizens Groups										
Other Governments										
Prisoner Board	\$ 5,783	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,783
Paving and Maintenance	0	0	0	0	4,648	0	0	0	0	4,648
Contributions	16,500	0	0	0	0	903,850	0	0	128,265	1,048,615
Contracted Services	98,787	0	0	0	0	0	0	0	0	98,787
Other	104,986	0	0	0	0	80,020	0	0	0	185,006
Other	226,056	\$ 0	\$ 0	\$ 0	\$ 4,648	\$ 983,870	\$ 0	\$ 0	\$ 128,265	\$ 1,342,839
Total Other Governments and Citizens Groups	\$ 7,166,252	\$ 19,800	\$ 21,247	\$ 18,730	\$ 3,938,909	\$ 4,329,571	\$ 93,531	\$ 592,305	\$ 16,180,345	\$ 16,180,345
Total										

## Exhibit K-6

Weakley County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Weakley County School Department  
For the Year Ended June 30, 2010

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 3,232,964	\$ 0	\$ 0	\$ 3,232,964
Trustee's Collections - Prior Year	129,218	0	0	129,218
Trustee's Collections - Bankruptcy	2,154	0	0	2,154
Circuit/Clerk & Master Collections - Prior Years	71,777	0	0	71,777
Interest and Penalty	24,408	0	0	24,408
Payments in-Lieu-of Taxes - Local Utilities	238,345	0	0	238,345
<u>County Local Option Taxes</u>				
Local Option Sales Tax	2,966,138	0	0	2,966,138
Wheel Tax	130,425	0	0	130,425
<u>Statutory Local Taxes</u>				
Bank Excise Tax	3,339	0	0	3,339
Interstate Telecommunications Tax	3,028	0	0	3,028
Total Local Taxes	\$ 6,801,796	\$ 0	\$ 0	\$ 6,801,796
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,966	\$ 0	\$ 0	\$ 1,966
Total Licenses and Permits	\$ 1,966	\$ 0	\$ 0	\$ 1,966
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Other	\$ 102,367	\$ 0	\$ 0	\$ 102,367
Lunch Payments - Children	0	0	707,286	707,286
Lunch Payments - Adults	0	0	108,236	108,236
Income from Breakfast	0	0	84,592	84,592
Receipts from Individual Schools	119,739	0	2,506	122,245
Total Charges for Current Services	\$ 222,106	\$ 0	\$ 902,620	\$ 1,124,726
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 12,685	\$ 12,685
Sale of Materials and Supplies	25,629	0	0	25,629
Refund of Telecommunication and Internet Fees (E-Rate)	37,105	0	0	37,105
Miscellaneous Refunds	7,019	0	809	7,828
<u>Nonrecurring Items</u>				
Sale of Equipment	5,448	0	200	5,648
Damages Recovered from Individuals	4,307	0	0	4,307
Contributions and Gifts	7,926	0	0	7,926
Total Other Local Revenues	\$ 87,434	\$ 0	\$ 13,694	\$ 101,128
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 161,395	\$ 0	\$ 0	\$ 161,395
<u>State Education Funds</u>				
Basic Education Program	20,511,100	0	0	20,511,100
Basic Education Program - ARRA	868,900	0	0	868,900
Early Childhood Education	564,337	0	0	564,337
School Food Service	0	0	26,375	26,375

(Continued)

## Exhibit K-6

Weakley County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Weakley County School Department (Cont.)

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
Driver Education	\$ 13,491	\$ 0	\$ 0	\$ 13,491
Other State Education Funds	29,009	0	5,750	34,759
Coordinated School Health - ARRA	89,906	0	0	89,906
Internet Connectivity - ARRA	16,993	0	0	16,993
Statewide Student Management System (SSMS) - ARRA	11,820	0	0	11,820
Career Ladder Program	246,533	0	0	246,533
Career Ladder - Extended Contract - ARRA	125,192	0	0	125,192
Other Vocational	64,449	0	0	64,449
<u>Other State Revenues</u>				
Mixed Drink Tax	18,409	0	0	18,409
Other State Grants	86,333	0	0	86,333
Safe Schools - ARRA	29,246	0	0	29,246
Total State of Tennessee	\$ 22,837,113	\$ 0	\$ 32,125	\$ 22,869,238
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,022,093	\$ 1,022,093
USDA - Commodities	0	0	148,610	148,610
Breakfast	0	0	323,963	323,963
USDA - Other	0	0	3,088	3,088
USDA Food Service Equipment Grant - ARRA	0	0	8,000	8,000
Adult Education State Grant Program	136,689	0	0	136,689
Vocational Education - Basic Grants to States	0	91,319	0	91,319
Other Vocational	0	90,934	0	90,934
Title I Grants to Local Education Agencies	0	1,853,005	0	1,853,005
Special Education - Grants to States	4,618	1,444,808	0	1,449,426
Special Education Preschool Grants	16,322	40,233	0	56,555
Safe and Drug-free Schools - State Grants	0	23,592	0	23,592
Rural Education	0	123,643	0	123,643
Eisenhower Professional Development State Grants	0	214,092	0	214,092
Other Federal through State	0	34,124	0	34,124
Total Federal Government	\$ 157,629	\$ 3,915,750	\$ 1,505,754	\$ 5,579,133
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 3,058	\$ 0	\$ 0	\$ 3,058
<u>Citizens Groups</u>				
Donations	8,489	0	0	8,489
Total Other Governments and Citizens Groups	\$ 11,547	\$ 0	\$ 0	\$ 11,547
Total	\$ 30,119,591	\$ 3,915,750	\$ 2,454,193	\$ 36,489,534



## Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2010

General FundGeneral GovernmentCounty Commission

Secretary to Board	\$	6,300	
Board and Committee Members Fees		17,850	
Other Per Diem and Fees		18,300	
Social Security		1,971	
State Retirement		725	
Employer Medicare		662	
Audit Services		10,469	
Legal Services		1,205	
Travel		8,950	
Contracts for Development Costs		167	
Other Contracted Services		1,395	
In Service/Staff Development		750	
Other Charges		1,223	
Total County Commission			\$ 69,967

County Mayor/Executive

County Official/Administrative Officer	\$	71,322	
Secretary(ies)		26,047	
Educational Incentive - Other County Employees		300	
Social Security		5,951	
State Retirement		11,242	
Medical Insurance		4,920	
Employer Medicare		1,392	
Communication		2,481	
Dues and Memberships		2,128	
Legal Notices, Recording, and Court Costs		20	
Maintenance and Repair Services - Vehicles		185	
Postal Charges		120	
Travel		763	
Gasoline		1,484	
Office Supplies		650	
In Service/Staff Development		75	
Other Charges		90	
Total County Mayor/Executive			129,170

County Attorney

Legal Services	\$	23,236	
Total County Attorney			23,236

(Continued)

## Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)Election Commission

County Official/Administrative Officer	\$	53,431	
Deputy(ies)		40,513	
Temporary Personnel		122	
Part-time Personnel		4,350	
Election Commission		7,050	
Election Workers		17,995	
Social Security		6,103	
State Retirement		10,789	
Medical Insurance		21,211	
Employer Medicare		1,450	
Communication		4,224	
Data Processing Services		4,452	
Dues and Memberships		300	
Legal Services		4,985	
Legal Notices, Recording, and Court Costs		5,154	
Maintenance and Repair Services - Buildings		186	
Maintenance and Repair Services - Equipment		7,494	
Maintenance and Repair Services - Office Equipment		211	
Postal Charges		657	
Printing, Stationery, and Forms		13,661	
Rentals		1,805	
Travel		1,900	
Other Contracted Services		5,700	
Office Supplies		1,562	
Other Supplies and Materials		72	
Building and Contents Insurance		4,148	
In Service/Staff Development		430	
Office Equipment		714	
Total Election Commission			\$ 220,669

Register of Deeds

County Official/Administrative Officer	\$	61,751
Deputy(ies)		47,990
Educational Incentive - Other County Employees		300
Social Security		6,638
State Retirement		12,666
Medical Insurance		4,728
Employer Medicare		1,552
Communication		2,607
Dues and Memberships		592

(Continued)

## Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)Register of Deeds (Cont.)

Legal Notices, Recording, and Court Costs	\$	9,575	
Postal Charges		245	
Rentals		697	
Travel		1,492	
Data Processing Supplies		974	
Office Supplies		850	
Total Register of Deeds			\$ 152,657

County Buildings

Custodial Personnel	\$	45,150	
Social Security		2,662	
State Retirement		5,197	
Medical Insurance		4,728	
Employer Medicare		623	
Maintenance and Repair Services - Buildings		12,190	
Maintenance and Repair Services - Equipment		4,563	
Pest Control		617	
Other Contracted Services		8,947	
Custodial Supplies		7,500	
Electricity		68,000	
Equipment and Machinery Parts		430	
Natural Gas		10,481	
Water and Sewer		4,473	
Other Supplies and Materials		1,484	
Building and Contents Insurance		7,133	
Other Charges		2,084	
Total County Buildings			186,262

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	68,710	
Accountants/Bookkeepers		156,456	
Custodial Personnel		2,652	
Educational Incentive - Other County Employees		300	
Social Security		13,504	
State Retirement		25,330	
Medical Insurance		17,336	
Employer Medicare		3,158	
Communication		3,608	
Data Processing Services		6,585	

(Continued)

Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Dues and Memberships	\$	306	
Legal Notices, Recording, and Court Costs		1,027	
Maintenance and Repair Services - Office Equipment		979	
Pest Control		240	
Postal Charges		2,500	
Printing, Stationery, and Forms		6,194	
Rentals		4,100	
Travel		4,140	
Custodial Supplies		800	
Electricity		2,800	
Natural Gas		360	
Office Supplies		4,593	
Water and Sewer		349	
Other Supplies and Materials		3,313	
Premiums on Corporate Surety Bonds		144	
In Service/Staff Development		3,336	
Data Processing Equipment		1,500	
Total Accounting and Budgeting			\$ 334,320

Property Assessor's Office

County Official/Administrative Officer	\$	61,751	
Deputy(ies)		97,324	
Educational Incentive - Other County Employees		7,550	
Board and Committee Members Fees		975	
Social Security		9,775	
State Retirement		19,178	
Medical Insurance		14,172	
Employer Medicare		2,286	
Communication		2,372	
Dues and Memberships		1,351	
Legal Notices, Recording, and Court Costs		96	
Maintenance and Repair Services - Office Equipment		130	
Maintenance and Repair Services - Vehicles		554	
Postal Charges		768	
Rentals		2,108	
Travel		1,190	
Gasoline		761	
Office Supplies		710	
Vehicle and Equipment Insurance		437	
Total Property Assessor's Office			223,488

(Continued)

## Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Finance (Cont.)Reappraisal Program

Data Processing Services	\$	3,792	
Postal Charges		1,064	
Travel		876	
Other Contracted Services		51,074	
Office Supplies		214	
In Service/Staff Development		520	
Total Reappraisal Program			\$ 57,540

County Trustee's Office

County Official/Administrative Officer	\$	61,751	
Deputy(ies)		48,739	
Educational Incentive - Other County Employees		600	
Social Security		6,209	
State Retirement		12,787	
Medical Insurance		17,295	
Employer Medicare		1,452	
Communication		2,725	
Data Processing Services		17,880	
Dues and Memberships		707	
Legal Notices, Recording, and Court Costs		1,383	
Maintenance Agreements		4,564	
Maintenance and Repair Services - Office Equipment		77	
Postal Charges		4,300	
Rentals		681	
Travel		1,628	
Office Supplies		2,490	
Data Processing Equipment		2,060	
Total County Trustee's Office			187,328

County Clerk's Office

County Official/Administrative Officer	\$	61,751
Deputy(ies)		121,171
Clerical Personnel		1,200
Temporary Personnel		5,194
Educational Incentive - Other County Employees		600
Social Security		10,536
State Retirement		21,261
Medical Insurance		33,264
Employer Medicare		2,464
Communication		2,516

(Continued)

## Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Finance (Cont.)County Clerk's Office (Cont.)

Dues and Memberships	\$	632	
Legal Notices, Recording, and Court Costs		305	
Maintenance Agreements		12,432	
Maintenance and Repair Services - Office Equipment		80	
Postal Charges		7,474	
Printing, Stationery, and Forms		2,187	
Rentals		2,754	
Travel		1,383	
Office Supplies		2,601	
Data Processing Equipment		2,000	
Total County Clerk's Office			\$ 291,805

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	61,751	
Deputy(ies)		86,745	
Temporary Personnel		3,706	
Jury and Witness Expense		7,416	
Social Security		8,266	
State Retirement		17,092	
Medical Insurance		30,738	
Employer Medicare		1,933	
Communication		2,874	
Dues and Memberships		95	
Legal Notices, Recording, and Court Costs		42	
Maintenance Agreements		1,815	
Maintenance and Repair Services - Office Equipment		292	
Printing, Stationery, and Forms		1,212	
Rentals		3,744	
Travel		189	
Office Supplies		1,850	
Other Supplies and Materials		2,223	
Total Circuit Court			231,983

General Sessions Court

Judge(s)	\$	109,148
Deputy(ies)		59,202
Social Security		10,061
State Retirement		19,377
Medical Insurance		14,183

(Continued)

## Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)General Sessions Court (Cont.)

Employer Medicare	\$	2,353	
Communication		2,163	
Dues and Memberships		482	
Maintenance Agreements		2,663	
Postal Charges		3,000	
Printing, Stationery, and Forms		815	
Travel		1,841	
Other Contracted Services		3,038	
Library Books/Media		819	
Office Supplies		2,811	
Data Processing Equipment		16,430	
Total General Sessions Court			\$ 248,386

Chancery Court

County Official/Administrative Officer	\$	61,751	
Deputy(ies)		71,432	
Temporary Personnel		2,868	
Social Security		8,225	
State Retirement		15,329	
Medical Insurance		9,455	
Employer Medicare		1,924	
Communication		1,808	
Dues and Memberships		577	
Legal Notices, Recording, and Court Costs		740	
Maintenance Agreements		6,063	
Postal Charges		1,996	
Printing, Stationery, and Forms		2,657	
Rentals		1,867	
Travel		115	
Other Contracted Services		3,300	
Office Supplies		2,644	
Data Processing Equipment		4,199	
Office Equipment		1,690	
Total Chancery Court			198,640

Juvenile Court

Judge(s)	\$	29,020	
Youth Service Officer(s)		39,812	
Social Workers		25,820	
Secretary(ies)		24,951	

(Continued)

Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Social Security	\$	6,674	
State Retirement		12,088	
Medical Insurance		21,134	
Employer Medicare		1,561	
Communication		2,861	
Contracts with Other Public Agencies		5,623	
Dues and Memberships		130	
Legal Services		770	
Maintenance and Repair Services - Office Equipment		175	
Maintenance and Repair Services - Vehicles		430	
Printing, Stationery, and Forms		103	
Rentals		2,557	
Travel		4,285	
Drugs and Medical Supplies		1,200	
Gasoline		1,526	
Office Supplies		449	
Vehicle and Equipment Insurance		551	
Total Juvenile Court			\$ 181,720

District Attorney General

Secretary(ies)	\$	24,133	
Social Security		1,414	
State Retirement		2,778	
Medical Insurance		3,563	
Employer Medicare		331	
Total District Attorney General			32,219

Other Administration of Justice

Social Workers	\$	89,263	
Other Salaries and Wages		7,352	
Social Security		5,697	
State Retirement		8,824	
Medical Insurance		12,219	
Employer Medicare		1,332	
Communication		3,331	
Maintenance and Repair Services - Buildings		65	
Rentals		9,600	
Travel		3,935	
Office Supplies		2,419	
Utilities		2,832	

(Continued)



## Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)Other Administration of Justice (Cont.)

Other Supplies and Materials	\$	5,731	
Workers' Compensation Insurance		604	
Total Other Administration of Justice			\$ 153,204

Probation Services

Social Workers	\$	47,324	
Social Security		2,708	
State Retirement		2,486	
Medical Insurance		4,824	
Employer Medicare		633	
Office Supplies		797	
Total Probation Services			58,772

Public SafetySheriff's Department

County Official/Administrative Officer	\$	67,927	
Deputy(ies)		714,026	
Accountants/Bookkeepers		52,926	
Salary Supplements		11,400	
Maintenance Personnel		26,450	
Part-time Personnel		31,550	
Social Security		50,950	
State Retirement		91,071	
Medical Insurance		128,467	
Employer Medicare		12,071	
Communication		19,964	
Dues and Memberships		2,100	
Evaluation and Testing		445	
Legal Services		150	
Maintenance Agreements		3,000	
Maintenance and Repair Services - Equipment		3,841	
Maintenance and Repair Services - Vehicles		25,112	
Postal Charges		6,174	
Printing, Stationery, and Forms		763	
Rentals		10,884	
Travel		21,968	
Other Contracted Services		562	
Gasoline		70,737	
Law Enforcement Supplies		6,155	
Office Supplies		5,442	

(Continued)

Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Uniforms	\$	9,768	
Other Supplies and Materials		14,024	
Vehicle and Equipment Insurance		17,649	
Workers' Compensation Insurance		756	
In Service/Staff Development		6,456	
Other Charges		2,459	
Data Processing Equipment		1,011	
Law Enforcement Equipment		15,801	
Motor Vehicles		49,452	
Total Sheriff's Department			\$ 1,481,511

Traffic Control

Dispatchers/Radio Operators	\$	260,778	
Social Security		15,193	
State Retirement		24,873	
Medical Insurance		41,184	
Employer Medicare		3,553	
Total Traffic Control			345,581

Jail

Supervisor/Director	\$	39,626	
Accountants/Bookkeepers		28,076	
Guards		439,088	
Overtime Pay		7,560	
Social Security		27,827	
State Retirement		49,906	
Medical Insurance		110,348	
Employer Medicare		6,508	
Communication		536	
Maintenance and Repair Services - Buildings		16,197	
Maintenance and Repair Services - Equipment		5,453	
Medical and Dental Services		108,689	
Pest Control		960	
Printing, Stationery, and Forms		1,378	
Rentals		687	
Other Contracted Services		600	
Custodial Supplies		14,778	
Electricity		52,407	
Food Supplies		74,904	
Natural Gas		30,533	

(Continued)

## Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Jail (Cont.)

Office Supplies	\$	2,484	
Water and Sewer		11,512	
Other Supplies and Materials		14,971	
Building and Contents Insurance		<u>21,728</u>	
Total Jail			\$ 1,066,756

Correctional Incentive Program Improvements

Contributions	\$	<u>2,000</u>	
Total Correctional Incentive Program Improvements			2,000

Fire Prevention and Control

Contributions	\$	<u>22,000</u>	
Total Fire Prevention and Control			22,000

Civil Defense

Assistant(s)	\$	8,500	
Supervisor/Director		16,122	
Social Security		1,527	
State Retirement		1,856	
Employer Medicare		357	
Advertising		42	
Communication		1,819	
Dues and Memberships		85	
Maintenance and Repair Services - Equipment		915	
Postal Charges		50	
Printing, Stationery, and Forms		329	
Rentals		1,000	
Travel		937	
Gasoline		1,969	
Office Supplies		497	
Uniforms		343	
Other Supplies and Materials		1,041	
Vehicle and Equipment Insurance		732	
Other Equipment		<u>79,987</u>	
Total Civil Defense			118,108

Rescue Squad

Other Contracted Services	\$	<u>5,500</u>	
Total Rescue Squad			5,500

(Continued)

## Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)County Coroner/Medical Examiner

Other Contracted Services	\$	5,325	
Total County Coroner/Medical Examiner			\$ 5,325

Other Public Safety

Other Contracted Services	\$	2,559	
Total Other Public Safety			2,559

Public Health and WelfareLocal Health Center

Temporary Personnel	\$	3,652	
Other Salaries and Wages		45,402	
Social Security		2,478	
State Retirement		4,809	
Medical Insurance		14,172	
Employer Medicare		580	
Communication		3,996	
Contracts with Government Agencies		31,500	
Dues and Memberships		270	
Janitorial Services		10,080	
Legal Services		7,049	
Maintenance and Repair Services - Buildings		2,524	
Maintenance and Repair Services - Equipment		1,370	
Pest Control		264	
Postal Charges		1,105	
Rentals		62	
Travel		743	
Disposal Fees		50	
Other Contracted Services		87	
Custodial Supplies		989	
Drugs and Medical Supplies		98	
Electricity		8,560	
Natural Gas		1,467	
Office Supplies		1,195	
Water and Sewer		2,100	
Other Supplies and Materials		2,727	
Building and Contents Insurance		3,734	
Other Equipment		6,650	
Total Local Health Center			157,713

(Continued)

## Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Health and Welfare (Cont.)Ambulance/Emergency Medical Services

Contracts with Private Agencies	\$ 235,000	
Total Ambulance/Emergency Medical Services		\$ 235,000

Maternal and Child Health Services

Contracts with Other Public Agencies	\$ 2,500	
Total Maternal and Child Health Services		2,500

Crippled Children Services

Contributions	\$ 2,167	
Total Crippled Children Services		2,167

Other Local Health Services

Contracts with Other Public Agencies	\$ 6,000	
Other Contracted Services	19,494	
Total Other Local Health Services		25,494

General Welfare Assistance

Contracts with Other Public Agencies	\$ 35,700	
Other Contracted Services	250	
Total General Welfare Assistance		35,950

Social, Cultural, and Recreational ServicesAdult Activities

Supervisor/Director	\$ 21,586	
Social Workers	19,460	
Other Salaries and Wages	31,216	
Social Security	3,499	
State Retirement	6,257	
Medical Insurance	19,284	
Employer Medicare	903	
Communication	1,826	
Contributions	8,943	
Licenses	830	
Postal Charges	999	
Rentals	5,043	
Travel	7,733	
Other Contracted Services	1,564	
Custodial Supplies	1,436	
Food Supplies	2,011	
Other Supplies and Materials	3,120	
Total Adult Activities		135,710

(Continued)

Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance

Supervisor/Director	\$	21,536	
Social Security		1,292	
State Retirement		2,479	
Employer Medicare		302	
Communication		1,095	
Maintenance and Repair Services - Vehicles		320	
Postal Charges		203	
Rentals		444	
Travel		910	
Other Contracted Services		600	
Custodial Supplies		296	
Food Supplies		1,446	
Other Supplies and Materials		1,596	
Total Senior Citizens Assistance			\$ 32,519

Libraries

Supervisor/Director	\$	30,308	
Clerical Personnel		43,945	
Temporary Personnel		4,607	
Social Security		4,348	
State Retirement		8,559	
Medical Insurance		14,364	
Employer Medicare		1,017	
Communication		2,953	
Contributions		15,374	
Janitorial Services		3,675	
Licenses		566	
Maintenance and Repair Services - Buildings		5,914	
Maintenance and Repair Services - Equipment		270	
Pest Control		295	
Travel		1,558	
Other Contracted Services		27,582	
Utilities		6,999	
Building and Contents Insurance		3,845	
Data Processing Equipment		2,392	
Total Libraries			178,571

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	54,894	
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(Continued)

## Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Agriculture and Natural Resources (Cont.)Agriculture Extension Service (Cont.)

Other Fringe Benefits	\$	12,585	
Communication		4,379	
Travel		1,800	
Data Processing Equipment		1,970	
Total Agriculture Extension Service			\$ 75,628

Soil Conservation

Secretary(ies)	\$	24,248	
Social Security		1,337	
State Retirement		2,791	
Medical Insurance		4,920	
Employer Medicare		313	
Total Soil Conservation			33,609

Flood Control

Other Contracted Services	\$	23,726	
Total Flood Control			23,726

Other OperationsVeterans' Services

Assistant(s)	\$	8,987	
Supervisor/Director		21,527	
Social Security		1,892	
State Retirement		901	
Employer Medicare		442	
Communication		1,600	
Dues and Memberships		98	
Postal Charges		450	
Travel		873	
Office Supplies		715	
Total Veterans' Services			37,485

Other Charges

Dues and Memberships	\$	4,156	
Total Other Charges			4,156

Contributions to Other Agencies

Contributions	\$	296,036	
Total Contributions to Other Agencies			296,036

(Continued)

## Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Other Operations (Cont.)Employee Benefits

Unemployment Compensation	\$ 13,196	
Total Employee Benefits		\$ 13,196

ARRA Grant No. 1

Part-time Personnel	\$ 10,155	
Social Security	630	
Employer Medicare	147	
Travel	3,573	
Other Supplies and Materials	4,027	
Data Processing Equipment	2,353	
Total ARRA Grant No. 1		20,885

ARRA Grant No. 2

Law Enforcement Equipment	\$ 22,520	
Total ARRA Grant No. 2		22,520

ARRA Grant No. 3

Part-time Personnel	\$ 19,088	
Social Security	1,071	
State Retirement	806	
Medical Insurance	3,951	
Employer Medicare	250	
Travel	153	
Total ARRA Grant No. 3		25,319

ARRA Grant No. 4

Other Equipment	\$ 3,499	
Total ARRA Grant No. 4		3,499

Miscellaneous

Liability Insurance	\$ 62,594	
Premiums on Corporate Surety Bonds	743	
Trustee's Commission	75,563	
Workers' Compensation Insurance	66,173	
Other Charges	535	
Total Miscellaneous		205,608

Total General Fund		\$ 7,597,997
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(Continued)



## Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation FundPublic Health and WelfareRecycling Center

Temporary Personnel	\$	5,531	
Legal Notices, Recording, and Court Costs		75	
Postal Charges		99	
Travel		72	
Other Contracted Services		19,527	
Custodial Supplies		53	
Electricity		997	
Water and Sewer		278	
Other Supplies and Materials		266	
Total Recycling Center			\$ 26,898

Other OperationsEmployee Benefits

Social Security	\$	343	
State Retirement		308	
Employer Medicare		80	
Total Employee Benefits			731

Total Solid Waste/Sanitation Fund \$ 27,629

Drug Control FundPublic SafetyDrug Enforcement

Contributions	\$	500	
Confidential Drug Enforcement Payments		7,500	
Tow-in Services		720	
Travel		1,545	
Other Supplies and Materials		2,267	
Trustee's Commission		109	
Other Charges		605	
Data Processing Equipment		639	
Motor Vehicles		46,758	
Total Drug Enforcement			\$ 60,643

Total Drug Control Fund 60,643

District Attorney General FundAdministration of JusticeDistrict Attorney General

Communication	\$	2,093	
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(Continued)

## Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

District Attorney General Fund (Cont.)Administration of Justice (Cont.)District Attorney General (Cont.)

Dues and Memberships	\$	850	
Travel		2,196	
Library Books/Media		81	
Office Supplies		565	
Trustee's Commission		195	
In Service/Staff Development		1,864	
Other Charges		311	
Furniture and Fixtures		685	
Office Equipment		1,925	
Total District Attorney General			\$ 10,765

Total District Attorney General Fund \$ 10,765

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	67,927	
Secretary to Board		1,800	
Secretary(ies)		26,143	
Board and Committee Members Fees		10,800	
Dues and Memberships		3,109	
Legal Services		188	
Legal Notices, Recording, and Court Costs		250	
Medical and Dental Services		730	
Postal Charges		862	
Printing, Stationery, and Forms		1,098	
Rentals		1,942	
Travel		1,754	
Drugs and Medical Supplies		150	
Office Supplies		590	
Other Supplies and Materials		698	
Other Charges		1,990	
Total Administration			\$ 120,031

Highway and Bridge Maintenance

Foremen	\$	35,872	
Equipment Operators		340,968	
Truck Drivers		310,825	
Laborers		207,612	
Rentals		303	

(Continued)

## Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)Highways (Cont.)Highway and Bridge Maintenance (Cont.)

Other Contracted Services	\$	192,743	
Asphalt - Cold Mix		34,112	
Asphalt - Liquid		587,291	
Crushed Stone		324,931	
General Construction Materials		13,418	
Other Road Supplies		14,595	
Pipe		118,716	
Road Signs		9,446	
Small Tools		387	
Other Supplies and Materials		909	
Total Highway and Bridge Maintenance			\$ 2,192,128

Operation and Maintenance of Equipment

Foremen	\$	33,751	
Mechanic(s)		87,287	
Laundry Service		10,659	
Maintenance and Repair Services - Equipment		41,999	
Tow-in Services		1,657	
Diesel Fuel		158,273	
Equipment and Machinery Parts		125,134	
Garage Supplies		5,330	
Gasoline		24,245	
Lubricants		22,991	
Small Tools		3,483	
Tires and Tubes		48,827	
Other Supplies and Materials		1,136	
Total Operation and Maintenance of Equipment			564,772

Litter and Trash Collection

Foremen	\$	12,182	
Truck Drivers		4,656	
Secretary(ies)		5,119	
Social Security		1,351	
State Retirement		2,437	
Employer Medicare		303	
Advertising		4,419	
Other Supplies and Materials		305	
Litter Enforcement Awards		4,369	
Total Litter and Trash Collection			35,141

(Continued)

## Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)Highways (Cont.)Other Charges

Communication	\$	8,970	
Maintenance and Repair Services - Buildings		2,593	
Maintenance and Repair Services - Office Equipment		2,180	
Electricity		15,888	
Natural Gas		7,175	
Water and Sewer		1,434	
Building and Contents Insurance		18,604	
Liability Insurance		10,794	
Trustee's Commission		44,318	
Vehicle and Equipment Insurance		16,326	
Total Other Charges			\$ 128,282

Employee Benefits

Social Security	\$	64,331	
State Retirement		125,115	
Medical Insurance		186,990	
Unemployment Compensation		12,991	
Employer Medicare		15,058	
Workers' Compensation Insurance		144,750	
Total Employee Benefits			549,235

Capital Outlay

Bridge Construction	\$	245,430	
Building Construction		55,905	
Highway Equipment		100,627	
State Aid Projects		453,463	
Total Capital Outlay			855,425

Total Highway/Public Works Fund \$ 4,445,014

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Notes	\$	144,979	
Principal on Other Loans		383,000	
Total General Government			\$ 527,979

Highways and Streets

Principal on Notes	\$	207,000	
Total Highways and Streets			207,000

(Continued)

## Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Debt Service Fund (Cont.)Principal on Debt (Cont.)Education

Principal on Bonds	\$ 1,610,000	
Principal on Notes	15,496	
Principal on Other Loans	<u>1,556,000</u>	
Total Education		\$ 3,181,496

Interest on DebtGeneral Government

Interest on Notes	\$ 32,485	
Interest on Other Loans	<u>19,064</u>	
Total General Government		51,549

Highways and Streets

Interest on Notes	\$ <u>12,429</u>	
Total Highways and Streets		12,429

Education

Interest on Bonds	\$ 415,983	
Interest on Other Loans	<u>45,843</u>	
Total Education		461,826

Other Debt ServiceGeneral Government

Trustee's Commission	\$ 61,123	
Other Debt Service	<u>15,134</u>	
Total General Government		76,257

Education

Other Debt Service	\$ <u>47,471</u>	
Total Education		<u>47,471</u>

Total General Debt Service Fund \$ 4,566,007

General Capital Projects FundCapital ProjectsGeneral Administration Projects

Architects	\$ 7,097	
Building Construction	<u>172,164</u>	
Total General Administration Projects		\$ <u>179,261</u>

Total General Capital Projects Fund 179,261

(Continued)

## Exhibit K-7

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Highway Capital Projects FundCapital ProjectsHighway and Street Capital Projects

Trustee's Commission	\$	1,920	
Highway Equipment		38,000	
Total Highway and Street Capital Projects			\$ 39,920

Total Highway Capital Projects Fund \$ 39,920

Other Capital Projects FundCapital ProjectsOther General Government Projects

Contracts with Other Public Agencies	\$	7,500	
Engineering Services		28,887	
Evaluation and Testing		36	
Site Development		556,282	
Total Other General Government Projects			\$ 592,705

Total Other Capital Projects Fund 592,705

Total Governmental Funds - Primary Government \$ 17,519,941

## Exhibit K-8

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Weakley County School Department  
For the Year Ended June 30, 2010

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 10,539,053	
Career Ladder Program	138,190	
Career Ladder Extended Contracts	108,750	
Educational Assistants	374,863	
Certified Substitute Teachers	67,590	
Non-certified Substitute Teachers	78,959	
Social Security	637,568	
State Retirement	708,716	
Medical Insurance	1,266,203	
Employer Medicare	152,743	
Other Fringe Benefits	19,980	
Maintenance and Repair Services - Equipment	646	
Rentals	69,977	
Instructional Supplies and Materials	142,663	
Textbooks	110,841	
Other Supplies and Materials	13,663	
In Service/Staff Development	447	
Transfers to Other Funds	3,109	
Regular Instruction Equipment	381,811	
Total Regular Instruction Program		\$ 14,815,772

Special Education Program

Teachers	\$ 1,239,173	
Career Ladder Program	19,975	
Educational Assistants	53,502	
Speech Pathologist	41,845	
Certified Substitute Teachers	9,256	
Non-certified Substitute Teachers	12,246	
Social Security	79,506	
State Retirement	86,991	
Medical Insurance	134,582	
Employer Medicare	18,599	
Contracts with Private Agencies	17,619	
Other Contracted Services	81,039	
Instructional Supplies and Materials	28,726	
Other Supplies and Materials	3,469	
Furniture and Fixtures	5,021	
Special Education Equipment	12,715	
Total Special Education Program		1,844,264

(Continued)

## Exhibit K-8

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Weakley County School Department (Cont.)

General Purpose School Fund (Cont.)Instruction (Cont.)Vocational Education Program

Teachers	\$	864,801	
Career Ladder Program		16,750	
Other Salaries and Wages		22,660	
Certified Substitute Teachers		4,472	
Non-certified Substitute Teachers		15,938	
Social Security		53,823	
State Retirement		58,604	
Medical Insurance		85,586	
Employer Medicare		12,590	
Communication		650	
Maintenance and Repair Services - Equipment		64	
Rentals		2,173	
Other Contracted Services		910	
Animal Food and Supplies		27,399	
Drugs and Medical Supplies		771	
Equipment and Machinery Parts		457	
Gasoline		2,500	
Instructional Supplies and Materials		14,696	
Other Supplies and Materials		2,230	
Vehicle and Equipment Insurance		400	
Vocational Instruction Equipment		2,308	
Other Equipment		1,288	
Other Capital Outlay		5,000	
Total Vocational Education Program			\$ 1,196,070

Student Body Education Program

Clerical Personnel	\$	6,354	
Social Security		301	
State Retirement		731	
Employer Medicare		70	
Maintenance and Repair Services - Equipment		152	
Gasoline		1,957	
Vehicle Parts		93	
Vehicle and Equipment Insurance		2,000	
Total Student Body Education Program			11,658

Adult Education Program

Supervisor/Director	\$	40,947	
Teachers		43,264	

(Continued)



## Exhibit K-8

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Weakley County School Department (Cont.)

General Purpose School Fund (Cont.)Instruction (Cont.)Adult Education Program (Cont.)

Guidance Personnel	\$	9,470	
Other Salaries and Wages		28,040	
Social Security		7,038	
State Retirement		11,301	
Medical Insurance		3,976	
Employer Medicare		1,708	
Communication		1,151	
Rentals		1,995	
Travel		2,733	
Instructional Supplies and Materials		2,299	
Other Charges		1,779	
Total Adult Education Program			\$ 155,701

Support ServicesAttendance

Supervisor/Director	\$	67,335	
Career Ladder Program		3,000	
Social Security		4,259	
State Retirement		4,515	
Medical Insurance		3,875	
Employer Medicare		996	
Maintenance Agreements		11,820	
Travel		1,122	
Other Supplies and Materials		3,866	
Total Attendance			100,788

Health Services

Teachers	\$	33,445	
Medical Personnel		128,429	
Other Salaries and Wages		16,315	
Certified Substitute Teachers		520	
Non-certified Substitute Teachers		494	
Social Security		10,242	
State Retirement		14,310	
Medical Insurance		18,762	
Employer Medicare		2,395	
Communication		1,423	
Dues and Memberships		225	
Postal Charges		1,000	

(Continued)

## Exhibit K-8

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Weakley County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Health Services (Cont.)

Rentals	\$	1,812	
Travel		6,820	
Other Supplies and Materials		17,201	
Total Health Services			\$ 253,393

Other Student Support

Career Ladder Program	\$	5,472	
Guidance Personnel		478,946	
Certified Substitute Teachers		800	
Non-certified Substitute Teachers		1,794	
Social Security		27,326	
State Retirement		29,535	
Medical Insurance		37,732	
Employer Medicare		6,748	
Evaluation and Testing		30,124	
Travel		9,133	
Other Contracted Services		37,750	
Other Supplies and Materials		8,141	
Other Charges		7,194	
Other Equipment		9,370	
Total Other Student Support			690,065

Regular Instruction Program

Supervisor/Director	\$	295,565	
Career Ladder Program		17,900	
Librarians		392,534	
Social Workers		35,930	
Instructional Computer Personnel		49,688	
Other Salaries and Wages		101,881	
Social Security		49,358	
State Retirement		58,448	
Medical Insurance		62,873	
Employer Medicare		12,463	
Travel		16,698	
Library Books/Media		78,491	
Other Supplies and Materials		37,860	
In Service/Staff Development		34,946	
Total Regular Instruction Program			1,244,635

(Continued)

Exhibit K-8

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Weakley County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Alternative Instruction Program

Supervisor/Director	\$	19,815	
Career Ladder Program		1,000	
Educational Assistants		11,526	
Certified Substitute Teachers		80	
Non-certified Substitute Teachers		52	
Social Security		1,746	
State Retirement		1,336	
Medical Insurance		11,614	
Employer Medicare		410	
Communication		529	
Contracts with Other Public Agencies		35,000	
Rentals		1,096	
Travel		227	
Other Supplies and Materials		1,144	
Total Alternative Instruction Program			\$ 85,575

Special Education Program

Supervisor/Director	\$	67,335	
Career Ladder Program		3,000	
Psychological Personnel		130,132	
Clerical Personnel		23,357	
Social Security		13,427	
State Retirement		15,558	
Medical Insurance		11,297	
Employer Medicare		3,140	
Communication		1,005	
Maintenance Agreements		8,430	
Maintenance and Repair Services - Equipment		462	
Postal Charges		881	
Rentals		2,808	
Travel		10,670	
Office Supplies		6,467	
Other Supplies and Materials		5,703	
In Service/Staff Development		5,096	
Building Improvements		574	
Office Equipment		250	
Total Special Education Program			309,592

(Continued)

## Exhibit K-8

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Weakley County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Vocational Education Program

Clerical Personnel	\$	23,641	
Other Salaries and Wages		1,345	
Certified Substitute Teachers		160	
Non-certified Substitute Teachers		182	
Social Security		1,212	
State Retirement		2,858	
Medical Insurance		7,739	
Employer Medicare		285	
Communication		370	
Maintenance and Repair Services - Equipment		3,377	
Travel		34,473	
Other Contracted Services		65	
Equipment and Machinery Parts		449	
Office Supplies		448	
Other Supplies and Materials		9,469	
In Service/Staff Development		1,950	
Total Vocational Education Program			\$ 88,023

Other Programs

Other Salaries and Wages	\$	82,364	
Certified Substitute Teachers		3,292	
Non-certified Substitute Teachers		11,596	
Social Security		5,758	
State Retirement		5,740	
Employer Medicare		1,363	
On-Behalf Payments to OPEB		161,395	
Total Other Programs			271,508

Board of Education

Secretary to Board	\$	3,250	
Board and Committee Members Fees		17,100	
Social Security		865	
State Retirement		374	
Unemployment Compensation		31,896	
Employer Medicare		294	
Audit Services		9,000	
Dues and Memberships		18,400	
Legal Services		77,658	
Legal Notices, Recording, and Court Costs		2,391	

(Continued)

## Exhibit K-8

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Weakley County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Board of Education (Cont.)

Travel	\$	6,978	
Excess Risk Insurance		35,200	
Liability Insurance		18,043	
Premiums on Corporate Surety Bonds		3,281	
Trustee's Commission		158,965	
Workers' Compensation Insurance		144,225	
Other Charges		2,930	
Total Board of Education			\$ 530,850

Director of Schools

County Official/Administrative Officer	\$	91,600	
Career Ladder Program		1,000	
Accountants/Bookkeepers		28,952	
Secretary(ies)		40,223	
Social Security		9,724	
State Retirement		13,673	
Employee and Dependent Insurance		7,621	
Medical Insurance		13,148	
Employer Medicare		2,274	
Other Fringe Benefits		5,400	
Communication		6,944	
Maintenance and Repair Services - Equipment		234	
Postal Charges		3,931	
Printing, Stationery, and Forms		9,684	
Rentals		5,505	
Travel		2,802	
Office Supplies		3,842	
Other Supplies and Materials		10,388	
Total Director of Schools			256,945

Office of the Principal

Principals	\$	664,943	
Career Ladder Program		13,000	
Secretary(ies)		300,368	
Social Security		56,011	
State Retirement		77,195	
Medical Insurance		111,577	
Employer Medicare		13,099	
Communication		30,692	

(Continued)

Exhibit K-8

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Weakley County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Postal Charges	\$	132	
Travel		5,122	
Office Supplies		20,387	
Total Office of the Principal			\$ 1,292,526

Operation of Plant

Custodial Personnel	\$	74,862	
Social Security		3,912	
State Retirement		4,163	
Medical Insurance		16,815	
Employer Medicare		915	
Maintenance and Repair Services - Equipment		151	
Rentals		27,945	
Disposal Fees		47,181	
Permits		2,925	
Other Contracted Services		846,893	
Electricity		867,707	
Natural Gas		253,607	
Water and Sewer		107,551	
Other Supplies and Materials		9,780	
Building and Contents Insurance		118,178	
Furniture and Fixtures		45,008	
Plant Operation Equipment		2,800	
Total Operation of Plant			2,430,393

Maintenance of Plant

Supervisor/Director	\$	46,770	
Secretary(ies)		26,376	
Maintenance Personnel		180,842	
Social Security		14,033	
State Retirement		29,234	
Medical Insurance		45,743	
Employer Medicare		3,282	
Communication		1,359	
Laundry Service		6,337	
Maintenance and Repair Services - Buildings		19,139	
Maintenance and Repair Services - Equipment		45,995	
Pest Control		13,867	
Printing, Stationery, and Forms		72	

(Continued)

## Exhibit K-8

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Weakley County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Maintenance of Plant (Cont.)

Travel	\$	2,315	
Other Contracted Services		1,224,429	
Equipment and Machinery Parts		75,226	
Garage Supplies		611	
General Construction Materials		11,805	
Office Supplies		311	
Other Supplies and Materials		13,949	
Total Maintenance of Plant			\$ 1,761,695

Transportation

Supervisor/Director	\$	40,770	
Mechanic(s)		72,420	
Bus Drivers		328,706	
Social Security		26,416	
State Retirement		45,043	
Medical Insurance		18,305	
Employer Medicare		6,229	
Communication		3,172	
Maintenance and Repair Services - Equipment		6,817	
Maintenance and Repair Services - Vehicles		24,161	
Medical and Dental Services		3,458	
Printing, Stationery, and Forms		72	
Rentals		2,582	
Tow-in Services		2,250	
Travel		320	
Other Contracted Services		370	
Drugs and Medical Supplies		368	
Gasoline		203,608	
Office Supplies		921	
Tires and Tubes		34,746	
Vehicle Parts		82,353	
Other Supplies and Materials		6,837	
Vehicle and Equipment Insurance		52,507	
Transportation Equipment		90,326	
Other Equipment		9,945	
Total Transportation			1,062,702

(Continued)

## Exhibit K-8

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Weakley County School Department (Cont.)

General Purpose School Fund (Cont.)Operation of Non-Instructional ServicesCommunity Services

Other Salaries and Wages	\$	61,796	
Social Security		3,688	
State Retirement		4,491	
Medical Insurance		633	
Employer Medicare		863	
Other Supplies and Materials		34,944	
Total Community Services			\$ 106,415

Early Childhood Education

Teachers	\$	235,363	
Educational Assistants		69,232	
Certified Substitute Teachers		7,304	
Non-certified Substitute Teachers		4,290	
Social Security		16,572	
State Retirement		19,207	
Medical Insurance		69,062	
Employer Medicare		3,883	
Communication		3,499	
Legal Notices, Recording, and Court Costs		250	
Postal Charges		22	
Other Supplies and Materials		106,094	
In Service/Staff Development		1,526	
Other Equipment		16,625	
Total Early Childhood Education			552,929

Capital OutlayRegular Capital Outlay

Engineering Services	\$	7,312	
Building Improvements		96,585	
Total Regular Capital Outlay			103,897

Other Debt ServiceEducation

Contributions	\$	513,514	
Total Education			513,514

Total General Purpose School Fund \$ 29,678,910

(Continued)



Exhibit K-8

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Weakley County School Department (Cont.)

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	594,848	
Educational Assistants		242,183	
Other Salaries and Wages		2,126	
Certified Substitute Teachers		12,480	
Non-certified Substitute Teachers		25,064	
Social Security		51,018	
State Retirement		62,778	
Medical Insurance		101,532	
Employer Medicare		11,961	
Other Contracted Services		38,571	
Instructional Supplies and Materials		41,693	
Other Charges		57	
Regular Instruction Equipment		843,310	
Total Regular Instruction Program			\$ 2,027,621

Special Education Program

Teachers	\$	53,480	
Homebound Teachers		22,528	
Educational Assistants		433,074	
Other Salaries and Wages		1,250	
Certified Substitute Teachers		668	
Non-certified Substitute Teachers		1,664	
Social Security		28,381	
State Retirement		45,700	
Medical Insurance		101,404	
Employer Medicare		6,641	
Contracts with Private Agencies		2,880	
Instructional Supplies and Materials		123,201	
Special Education Equipment		216,530	
Total Special Education Program			1,037,401

Vocational Education Program

Educational Assistants	\$	22,618	
Other Salaries and Wages		27,928	
Social Security		3,065	
State Retirement		1,793	
Employer Medicare		736	
Travel		730	
Instructional Supplies and Materials		19,322	

(Continued)

## Exhibit K-8

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Weakley County School Department (Cont.)

School Federal Projects Fund (Cont.)Instruction (Cont.)Vocational Education Program (Cont.)

Other Supplies and Materials	\$	35,362	
In Service/Staff Development		1,514	
Other Charges		130	
Vocational Instruction Equipment		59,649	
Total Vocational Education Program			\$ 172,847

Support ServicesHealth Services

Medical Personnel	\$	44,282	
Social Security		2,301	
State Retirement		4,589	
Medical Insurance		13,089	
Employer Medicare		538	
Drugs and Medical Supplies		512	
Health Equipment		3,355	
Total Health Services			68,666

Other Student Support

Guidance Personnel	\$	30,880	
Other Salaries and Wages		6,887	
Social Security		2,330	
State Retirement		4,347	
Employer Medicare		545	
Evaluation and Testing		2,638	
Travel		11,202	
Other Supplies and Materials		234	
Other Charges		28,544	
Total Other Student Support			87,607

Regular Instruction Program

Supervisor/Director	\$	35,481	
Secretary(ies)		29,839	
Educational Assistants		6,887	
Other Salaries and Wages		2,350	
Social Security		2,123	
State Retirement		4,338	
Medical Insurance		3,900	
Employer Medicare		1,011	
Operating Lease Payments		897	

(Continued)

## Exhibit K-8

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Weakley County School Department (Cont.)

School Federal Projects Fund (Cont.)Support Services (Cont.)Regular Instruction Program (Cont.)

Travel	\$	15,024	
Other Supplies and Materials		2,935	
In Service/Staff Development		40,925	
Other Equipment		2,005	
Total Regular Instruction Program			\$ 147,715

Special Education Program

Clerical Personnel	\$	15,350	
Social Security		819	
State Retirement		1,767	
Medical Insurance		3,900	
Employer Medicare		192	
Travel		152	
In Service/Staff Development		5,791	
Other Equipment		1,500	
Total Special Education Program			29,471

Transportation

Bus Drivers	\$	79,849	
Social Security		4,949	
State Retirement		9,126	
Employer Medicare		1,157	
Gasoline		20,000	
Transportation Equipment		242,556	
Total Transportation			357,637

Total School Federal Projects Fund \$ 3,928,965

Central Cafeteria FundOperation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	58,925	
Accountants/Bookkeepers		23,259	
Cafeteria Personnel		630,042	
Maintenance Personnel		26,358	
Educational Incentive - Other County Employees		1,000	
Other Salaries and Wages		2,149	
Social Security		40,917	
State Retirement		64,160	

(Continued)

## Exhibit K-8

Weakley County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Weakley County School Department (Cont.)

Central Cafeteria Fund (Cont.)Operation of Non-Instructional Services (Cont.)Food Service (Cont.)

Medical Insurance	\$	134,981	
Employer Medicare		9,648	
Audit Services		3,000	
Communication		6,405	
Freight Expenses		18,507	
Legal Notices, Recording, and Court Costs		285	
Maintenance Agreements		5,987	
Maintenance and Repair Services - Equipment		2,808	
Pest Control		2,164	
Postal Charges		365	
Printing, Stationery, and Forms		1,374	
Travel		3,798	
Other Contracted Services		14,056	
Equipment and Machinery Parts		13,446	
Food Supplies		934,157	
Office Supplies		5,828	
USDA - Commodities		148,610	
Other Supplies and Materials		107,554	
Trustee's Commission		126	
In Service/Staff Development		6,472	
Food Service Equipment		104,403	
Total Food Service			\$ 2,370,784

Total Central Cafeteria Fund \$ 2,370,784

Total Governmental Funds - Weakley County School Department \$ 35,978,659

Exhibit K-9

Weakley County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2010

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 2,699,178
Total Cash Receipts	<u>\$ 2,699,178</u>
<u>Cash Disbursements</u>	
Remittance of Revenue Collected	\$ 2,280,369
Trustee's Commission	26,992
Contributions	391,817
Total Cash Disbursements	<u>\$ 2,699,178</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2009	<u>0</u>
Cash Balance, June 30, 2010	<u><u>\$ 0</u></u>

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## **SINGLE AUDIT SECTION**

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**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7841**

**REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

February 23, 2011

Weakley County Mayor and  
Board of County Commissioners  
Weakley County, Tennessee

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Weakley County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Weakley County's basic financial statements and have issued our report thereon dated February 23, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Weakley County Municipal Electric System (a major fund and the entire business-type activities), Weakley County Nursing Home, and Weakley County Emergency Communications District (discretely presented component units) as described in our report on Weakley County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Weakley County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of

expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Weakley County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Weakley County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting.

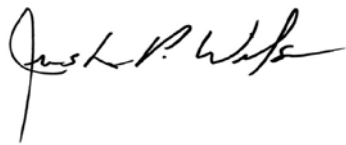
#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Weakley County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of Weakley County in separate communications.

This report is intended solely for the information and use of management, the county mayor, director of schools, highway supervisor, County Commission, Board of Education, Financial Management Committee, others within Weakley County, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with the first name "Justin" being more prominent.

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb





**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7841**

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

February 23, 2011

Weakley County Mayor and  
Board of County Commissioners  
Weakley County, Tennessee

To the County Mayor and Board of County Commissioners:

**Compliance**

We have audited the compliance of Weakley County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2010. Weakley County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Weakley County's management. Our responsibility is to express an opinion on Weakley County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Weakley County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We

believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Weakley County's compliance with those requirements.

In our opinion, Weakley County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

#### Internal Control Over Compliance

The management of Weakley County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Weakley County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Weakley County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

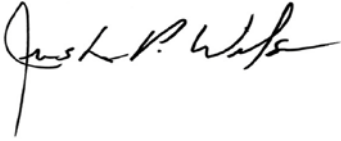
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Weakley County as of and for the year ended June 30, 2010, and have issued our report thereon dated February 23, 2011. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Weakley County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the county mayor, director of schools, highway supervisor, County Commission, Board of Education, Financial Management Committee, others within Weakley County, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Yours very truly,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical line extending downwards from the end.

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb

Weakley County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2010

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 323,963
National School Lunch Program	10.555	N/A	1,022,093 (4)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	148,610 (4)
Passed-through State Department of Education:			
Child and Adult Care Food Program	10.558	N/A	3,088
Passed-through State Department of Agriculture:			
Child Nutrition Discretionary Grants Limited Availability, Recovery Act	10.579	N/A	8,000
Total U.S. Department of Agriculture			<u>\$ 1,505,754</u>
U.S. Department of Justice:			
Direct Program:			
Recovery Act-Edward Byrne Memorial Justice Assistance Grant (JAG)			
Program/Grants to Units of Local Government	16.804	N/A	\$ 26,019
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	GG-10-30085-00	9,000
Passed-through State Administrative Office of the Courts:			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG)			
Program/Grants to State and Territories	16.803	(2)	46,205
Total U.S. Department of Justice			<u>\$ 81,224</u>
U.S. Department of Labor:			
Passed-through Dyersburg State Community College:			
WIA Youth Activities, Recovery Act	17.259	(2)	\$ 64,449
Total U.S. Department of Labor			<u>\$ 64,449</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	Z-10-220121-00	\$ 5,000
Total U.S. Department of Transportation			<u>\$ 5,000</u>
U.S. Institute of Museum and Library Services:			
Passed-through State Library and Archives:			
Grants to States	45.310	(2)	\$ 1,000
Total U.S. Institute of Museum and Library Services			<u>\$ 1,000</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 136,689
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,170,631
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	671,690
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	894,214
Special Education - Grants to States, Recovery Act	84.391	N/A	562,331
Special Education - Preschool Grants	84.173	N/A	40,235
Special Education - Preschool Grants, Recovery Act	84.392	N/A	17,334
Career and Technical Education - Basic Grants to States	84.048	N/A	182,253
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	29,246

(Continued)

Weakley County, Tennessee

Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont.):			
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	(2)	\$ 9,559
Education Technology State Grants, Recovery Act	84.386	N/A	24,615
Rural Education	84.358	N/A	123,643
Improving Teacher Quality State Grants	84.367	N/A	257,869
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Funds (SFSF) - Education State Grants, Recovery Act	84.394	N/A	868,900
State Fiscal Stabilization Funds (SFSF) - Government Services, Recovery Act	84.397	N/A	273,157
Total U.S. Department of Education			<u>\$ 5,262,366</u>
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(2)	<u>\$ 103,903</u>
Total U.S. Department of Health and Human Services			<u>\$ 103,903</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 44,220
Emergency Management Performance Grants	97.042	(2)	17,397
Homeland Security Grant Program	97.067	(2)	88,387
Total U.S. Department of Homeland Security			<u>\$ 150,004</u>
Total Expenditures of Federal Awards			<u>\$ 7,173,700</u>

State Grants

		Contract Number	
Juvenile Justice and Delinquency Prevention - State Department of Children's Services	N/A	(3)	\$ 59,718
Substance Abuse Treatment for Families - State Office of Criminal Justice Programs	N/A	GG-10-29718-00	153,044
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	9,771
Waste Tire Options Grant - State Department of Environment and Conservation	N/A	(2)	13,957
Preventative Health and Human Services - State Department of Health	N/A	Z-09-213774-00	81,000
Litter Grant - State Department of Transportation	N/A	Z-09-21281-00	34,181
Early Childhood Education - State Department of Education	N/A	(2)	564,337
FastTrack Infrastructure Development Program - State Department of Economic and Community Development	N/A	GG-08-26220-00	464,040
Total State Grants			<u>\$ 1,380,048</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Information not available.

(3) GG-09-26160-00: \$945; GG-10-28512-00: \$58,773.

(4) Total for CFDA No. 10.555 is \$1,170,703.

Weakley County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2010

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. There were no findings in the Annual Financial Report for Weakley County, Tennessee, for the year ended June 30, 2009.

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**WEAKLEY COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2010**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

1. Our report on the financial statements of Weakley County is unqualified.
2. The audit of the financial statements of Weakley County disclosed no significant deficiencies in internal control.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Weakley County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States, Special Education – Preschool Grants, Special Education – Grants to States, Recovery Act, and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.173, 84.391, and 84.392); and the State Fiscal Stabilization Fund Cluster: State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act and State Fiscal Stabilization Fund (SFSF) – Governmental Services, Recovery Act (CFDA Nos. 84.394 and 84.397) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Weakley County did not qualify as a low-risk auditee.

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

There were no findings relating to the financial statements of Weakley County, Tennessee, as a result of our examination, for the year ended June 30, 2010.

### **BEST PRACTICE**

#### **WEAKLEY COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE**

Weakley County does not have an Audit Committee. Sound business practices dictate that establishing an Audit Committee would significantly improve management oversight and accountability. The absence of an Audit Committee has been a management decision by the County Commission. The Division of County Audit strongly believes that an Audit Committee is a best practice that should be adopted to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks.



**PART III, FINDINGS AND QUESTIONED  
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs for federal awards.

**WEAKLEY COUNTY, TENNESSEE**  
**AUDITEE REPORTING RESPONSIBILITIES**  
**For the Year Ended June 30, 2010**

There were no audit findings relative to federal awards presented in the prior- or current-years' Schedules of Findings and Questioned Costs.